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 IFRS Accounting Standards (and they include certain amounts that are based on estimates and judgments). The material accounting policy information, which we believe is appropriate for the ETFs, is described in Note 3 to the financial statements.

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

May 6, 2025

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 TARGET 2029 CANADIAN CORPORATE BOND INDEX ETF

March 31, 2025

	Par Value (000s)	Cost ($)	Fair Value ($)	% of Net Assets
CANADIAN BONDS				
CORPORATE				
AIMCo Realty Investors LP 2.712% Jun 01, 2029	8,107	7,497	7,868	
Alimentation Couche-Tard Inc. 4.603% Jan 25, 2029	6,740	6,924	6,993	
AltaGas Ltd. 4.672% Jan 08, 2029	5,398	5,568	5,605	
Bank of Montreal 4.420% Jul 17, 2029	27,023	27,745	28,029	
Bank of Nova Scotia 4.680% Feb 01, 2029	18,534	18,806	19,367	
Bank of Nova Scotia 3.836% Sep 26, 2030*, FRN	15,429	15,420	15,624	
Brookfield Infrastructure Finance ULC 3.410% Oct 09, 2029	9,465	8,908	9,346	
Canadian National Railway Co. 3.000% Feb 08, 2029	4,723	4,508	4,696	
Canadian National Railway Co. 4.600% May 02, 2029	9,464	9,666	9,924	
Coastal Gaslink Pipeline LP 4.691% Sep 30, 2029	7,421	7,745	7,806	
Enbridge Gas Inc. 2.370% Aug 09, 2029	5,395	4,958	5,215	
Enbridge Inc. 2.990% Oct 03, 2029	13,528	12,583	13,231	
Federation des Caisses Desjardins du Quebec 3.804% Sep 24, 2029	16,883	16,891	17,091	
General Motors Financial of Canada Ltd. 5.000% Feb 09, 2029	8,097	8,202	8,356	
Gibson Energy Inc. 3.600% Sep 17, 2029	6,749	6,414	6,687	
Honda Canada Finance Inc. 4.899% Feb 21, 2029	5,398	5,518	5,677	
Honda Canada Finance Inc. 4.900% Jun 04, 2029	6,760	7,067	7,131	
Hydro One Inc. 3.020% Apr 05, 2029	7,421	7,105	7,389	
Hyundai Capital Canada Inc. 4.895% Jan 31, 2029	4,722	4,892	4,914	
John Deere Financial Inc. 4.630% Apr 04, 2029	8,096	8,255	8,504	
Magna International Inc. 4.800% May 30, 2029	6,074	6,277	6,283	
Manulife Bank of Canada 4.546% Mar 08, 2029	6,743	6,818	7,035	
Manulife Financial Corp. 5.054% Feb 23, 2034*, FRN	14,882	15,160	15,603	
National Bank of Canada 5.023% Feb 01, 2029	20,290	20,851	21,450	
North West Redwater Partnership / NWR Financing Co. Ltd. 4.250% Jun 01, 2029	7,421	7,408	7,636	
OMERS Realty Corp. 4.539% Apr 09, 2029	5,398	5,432	5,611	
Ontario Power Generation Inc. 2.977% Sep 13, 2029	6,748	6,364	6,641	
Pembina Pipeline Corp. 3.620% Apr 03, 2029	8,788	8,440	8,804	
Rogers Communications Inc. 3.250% May 01, 2029	1,252	1,179	1,233	
Rogers Communications Inc. 3.300% Dec 10, 2029	6,748	6,311	6,625	
Royal Bank of Canada 4.000% Oct 17, 2029†	20,288	20,447	20,683	
Sun Life Financial Inc. 4.780% Aug 10, 2034*, FRN	8,791	8,846	9,162	
Toronto-Dominion Bank 4.680% Jan 08, 2029	15,361	15,538	16,047	
Toronto-Dominion Bank 4.002% Oct 31, 2030*, FRN	18,633	18,755	18,974	
Toyota Credit Canada Inc. 4.460% Mar 19, 2029	6,074	6,117	6,306	
Toyota Credit Canada Inc. 3.730% Oct 02, 2029	6,745	6,738	6,812	
TOTAL INVESTMENTS		355,353	364,358	**99.0**
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			3,514	**1.0**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			367,872	**100.0**

* Interest rate risk (see note 5 in the generic notes).

† Investment in related party (see note 9 in the generic notes).

Statements of Financial Position *(unaudited)*
(in $000s except per unit amounts)
(see note 2 in the generic notes)

		March 31, 2025		September 30, 2024
ASSETS				
Investments at fair value	**$**	**364,358**	$	294,550
Cash		**19**		90
Dividends receivable, interest accrued and other assets		**3,565**		2,931
TOTAL ASSETS		**367,942**		297,571
LIABILITIES				
Accounts payable and accrued expenses		**70**		55
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		**70**		55
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (“NAV”)	**$**	**367,872**	$	297,516
Investments at cost	**$**	**355,353**	$	283,693
NAV PER UNIT	**$**	**22.09**	$	21.96

Statements of Comprehensive Income *(unaudited)*
(in $000s except per unit amounts)
For the periods ended March 31 *(see note 2 in the generic notes)*

		2025		2024
INCOME (see note 3 in the generic notes)				
Interest for distribution purposes	**$**	**6,657**	$	1,465
Net realized gain (loss) on investments		**4,144**		11
Change in unrealized gain (loss) on investments and derivatives		**(1,852)**		2,497
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES		**8,949**		3,973
Other income (loss)		**3**		1
Securities lending revenue (see note 8 in the generic notes)		**15**		4
TOTAL OTHER INCOME (LOSS)		**18**		5
TOTAL INCOME (LOSS)		**8,967**		3,978
EXPENSES (see notes – ETF Specific Information)				
Management fees		**327**		86
Independent Review Committee costs		**1**		1
GST/HST		**38**		11
TOTAL EXPENSES		**366**		98
INCREASE (DECREASE) IN NAV FROM OPERATIONS	**$**	**8,601**	$	3,880
INCREASE (DECREASE) IN NAV PER UNIT	**$**	**0.57**	$	0.97

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

Statements of Cash Flow *(unaudited) (in $000s)*
For the periods ended March 31 *(see note 2 in the generic notes)*

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV from operations	**$ 8,601**	$ 3,880
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Net unrealized foreign exchange (gain) loss on cash	**–**	–
Net realized loss (gain) on investments	**(4,144)**	(11)
Change in unrealized loss (gain) on investments and derivatives	**1,852**	(2,497)
(Increase) decrease in accrued receivables	**(634)**	(643)
Increase (decrease) in accrued payables	**15**	24
(Increase) decrease in margin accounts	**–**	–
Amortization of premium and discounts	**–**	–
Non-cash dividends	**–**	–
Non-cash distributions from underlying funds	**–**	–
Cost of investments purchased*	**(128,671)**	–
Proceeds from sale and maturity of investments*	**129,036**	313
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**6,055**	1,066
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	**108**	170
Cash paid on redemption of redeemable units*	**(13)**	(1)
Distributions paid to holders of redeemable units	**(6,221)**	(1,209)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**$ (6,126)**	$ (1,040)
Net unrealized foreign exchange gain (loss) on cash	**–**	–
Net increase (decrease) in cash for the period	**(71)**	26
Cash (bank overdraft), beginning of period	**90**	14
CASH (BANK OVERDRAFT), END OF PERIOD	**$ 19**	$ 40
Interest received (paid)†	**$ 6,023**	$ 243
Income from investment trusts received (paid)†‡	**$ –**	$ –
Dividends received (paid)†‡	**$ –**	$ –

* Excludes in-kind transactions.
† Classified as part of operating activities.
‡ Net of withholding taxes, if applicable.

Statements of Changes in NAV *(unaudited) (in $000s)*
For the periods ended March 31 *(see note 2 in the generic notes)*

	Total 2025	2024
NAV AT BEGINNING OF PERIOD	**$ 297,516**	$ 21,935
INCREASE (DECREASE) IN NAV FROM OPERATIONS	**8,601**	3,880
Early redemption fees	**–**	–
Proceeds from redeemable units issued	**77,908**	122,077
Reinvestments of distributions to holders of redeemable units	**4,322**	–
Redemption of redeemable units	**(9,932)**	(1,049)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	**72,298**	121,028
Distributions from net income	**(6,221)**	(1,209)
Distributions from net gains	**(4,322)**	–
Distributions from capital	**–**	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	**(10,543)**	(1,209)
NET INCREASE (DECREASE) IN NAV	**70,356**	123,699
NAV AT END OF PERIOD	**$ 367,872**	$ 145,634

General information (see note 1 in the generic notes)

The investment objective of the ETF is to provide income, for a limited period of time ending on its termination date, by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2029 Maturity Corporate Bond Index*.

The ETF will terminate on or about September 30, 2029.

The closing market price as of March 31, 2025 was $22.09 (September 30, 2024 – $21.97).

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	March 31, 2025	September 30, 2024
AA	**11.4**	6.1
A	**70.3**	69.5
BBB	**18.3**	24.4
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	March 31, 2025	September 30, 2024
Financials	**64.4**	54.1
Energy	**16.8**	21.5
Industrials	**7.6**	6.5
Infrastructure	**4.5**	7.4
Real Estate	**3.7**	6.0
Communication Services	**2.1**	3.5
Cash/Other	**1.0**	1.0
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	March 31, 2025	September 30, 2024
Less than 1 year	–	–
1 – 5 years	**100.0**	75.7
5 – 10 years	–	24.3
> 10 years	–	–
Total	**100.0**	100.0

As at March 31, 2025, 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 3.8% (September 30, 2024 – 4.2%). 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 March 31, 2025 and September 30, 2024.

March 31, 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	**364,358**	–	**364,358**
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	**364,358**	–	**364,358**
% of total portfolio	–	**100.0**	–	**100.0**

September 30, 2024	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	294,550	–	294,550
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	294,550	–	294,550
% of total portfolio	–	100.0	–	100.0

For the periods ended March 31, 2025 and September 30, 2024, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.

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 0.20% annually, before GST/HST, of the daily NAV of the ETF.

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

The ETF had no capital or non-capital losses as at the tax-year ended December 2024.

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

There is no limitation on the number of units available for issue. The following is a summary of units purchased and redeemed for the periods ended:

	March 31, 2025	March 31, 2024
Opening units	**13,550**	1,100
Issued number of units	**3,550**	5,850
Reinvested number of units	**197**	–
Units consolidated*	**(197)**	–
Redeemed number of units	**(450)**	(50)
Ending number of units	**16,650**	6,900

* The units of the ETF are consolidated immediately after a distribution is reinvested so that the total number of units outstanding of the ETF after consolidation is the same as before the distribution.

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

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

	March 31, 2025	March 31, 2024
Fair value of securities loaned	**27,740**	34,554
Fair value of collateral received	**28,295**	35,245

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 Statements of Comprehensive Income.

	March 31, 2025		March 31, 2024	
	$	%	$	%
Gross revenue	**19**	**100**	5	100
RBC IS (paid)	**(4)**	**(20)**	(1)	(20)
Tax withheld	**–**	**–**	–	–
ETF revenue	**15**	**80**	4	80

Investments by other related investment funds (%) (see note 9 in the generic notes)

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

	March 31, 2025	September 30, 2024
RBC 1-5 Year Laddered Canadian Bond ETF	**2.4**	5.2
RBC 1-5 Year Laddered Canadian Corporate Bond ETF	**2.9**	8.7
RBC Target 2029 Canadian Corporate Bond Index ETF Fund	**–**	–
Total	**5.3**	13.9

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 Global Asset Management Inc. ("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 May 6, 2025.

The units of the ETFs are listed either on the Toronto Stock Exchange (the "TSX") or on Cboe Canada ("Cboe Canada") as the case may be, except for those ETFs started during the period which have yet to be listed, as indicated in the General Information section of the respective ETF. The TSX and Cboe Canada 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
RBC 1-5 Year Laddered Canadian Bond ETF	RLB
RBC 1-5 Year Laddered Canadian Corporate Bond ETF	RBO
RBC Target 2025 Canadian Government Bond ETF	RGQN
RBC Target 2026 Canadian Government Bond ETF	RGQO
RBC Target 2027 Canadian Government Bond ETF	RGQP
RBC Target 2028 Canadian Government Bond ETF	RGQQ
RBC Target 2029 Canadian Government Bond ETF	RGQR
RBC Target 2030 Canadian Government Bond ETF	RGQS
RBC Target 2025 Canadian Corporate Bond Index ETF	RQN
RBC Target 2026 Canadian Corporate Bond Index ETF	RQO
RBC Target 2027 Canadian Corporate Bond Index ETF	RQP
RBC Target 2028 Canadian Corporate Bond Index ETF	RQQ
RBC Target 2029 Canadian Corporate Bond Index ETF	RQR
RBC Target 2030 Canadian Corporate Bond Index ETF	RQS
RBC Target 2025 U.S. Corporate Bond ETF	RUQN RUQN.U
RBC Target 2026 U.S. Corporate Bond ETF	RUQO RUQO.U
RBC Target 2027 U.S. Corporate Bond ETF	RUQP RUQP.U
RBC Target 2028 U.S. Corporate Bond ETF	RUQQ RUQQ.U
RBC Target 2029 U.S. Corporate Bond ETF	RUQR RUQR.U
RBC Target 2030 U.S. Corporate Bond ETF	RUQS RUQS.U
RBC PH&N Short Term Canadian Bond ETF	RPSB
RBC Short Term U.S. Corporate Bond ETF	RUSB RUSB.U
RBC Canadian Discount Bond ETF	RCDB
RBC U.S. Discount Bond ETF	RUDB RUDB.U
RBC U.S. Discount Bond (CAD Hedged) ETF	RDBH
RBC Canadian Preferred Share ETF	RPF
RBC Quant Canadian Dividend Leaders ETF	RCD
RBC Canadian Dividend Covered Call ETF	RCDC
RBC Canadian Bank Yield Index ETF	RBNK
RBC Quant U.S. Dividend Leaders ETF	RUD RUD.U
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF	RUDH
RBC U.S. Dividend Covered Call ETF	RUDC RUDC.U
RBC U.S. Banks Yield Index ETF	RUBY RUBY.U
RBC U.S. Banks Yield (CAD Hedged) Index ETF	RUBH
RBC Quant European Dividend Leaders ETF	RPD RPD.U
RBC Quant European Dividend Leaders (CAD Hedged) ETF	RPDH
RBC Quant EAFE Dividend Leaders ETF	RID RID.U
RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF	RIDH
RBC Quant Emerging Markets Dividend Leaders ETF	RXD RXD.U

2. Financial period

The Statements of Financial Position are prepared as at March 31, 2025 and September 30, 2024, as applicable, and the Statements of Comprehensive Income, Statements of Cash Flow, and Statements of Changes in NAV are prepared for the six-month periods ended March 31, 2025 and March 31, 2024, except for those ETFs established during either period, in which case, the information is presented from the start date as described in the Notes to Financial Statements – ETF Specific Information to March 31 of that year.

3. Material accounting policy information

These financial statements have been prepared in accordance with IFRS Accounting Standards and in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The material accounting policy information of the ETFs is as follows:

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the ETFs 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 ETFs' 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 ETFs' business model objectives. Consequently, all investments are measured at fair value through profit and loss ("FVTPL"). Derivative assets and liabilities are also measured at FVTPL.

The 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, which approximates fair value given their short-term nature.

Offsetting Financial Assets and Liabilities In the normal course of business, the ETFs 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 – ETF Specific Information.

Collateral received represents amounts held by a counterparty or custodian on behalf of the ETFs and can be in the form of securities and cash. Cash received as collateral is included in the Statements of Financial Position, whereas securities received are not included. Collateral pledged represents amounts held by the ETFs' 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 ETF's Schedule of Investment Portfolio.

Classification of Redeemable Units The ETFs' redeemable units, which qualify as puttable instruments as required by IAS 32 Financial Instruments: Presentation, are held by different types of unitholders that are entitled to different redemption rights. See Note 6 for details. Unitholders may redeem their units for cash at a reduced redemption price on trading day, resulting in a redemption value that is not based substantially on the net assets of the ETFs. As a result, the ETFs' outstanding redeemable units are classified as financial liabilities.

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 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 and derivatives" 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, 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.

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 and other debt securities are valued at the mid price quoted by major dealers or independent pricing vendors in such securities.

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

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.

Warrants are recorded as investments and reported at fair value in the Statements of Financial Position. Any unrealized gain or loss at the close of business on each valuation date is recorded in "Change in unrealized gain (loss) on investments and derivatives" in the Statements of Comprehensive Income. When warrants are exercised or have expired, the net realized gains (losses) are included in the Statements of Comprehensive Income in "Net realized gain (loss) on investments".

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 derivatives" and realized gain or loss on foreign exchange contracts is included in "Derivative income (loss)" in the Statements of Comprehensive Income.

Futures Contracts – Futures contracts entered into by the ETFs are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the ETFs 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, and the year over year change in these balances is recorded in Increase/decrease in accrued receivables or accrued payables, as applicable, in the Statements of Cash Flow.

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 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.

Management also has procedures where 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. 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 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 ETFs are held primarily by Canadian residents, are traded only on Canadian stock exchanges and are subject to Canadian regulations and, consequently, the Canadian dollar is the functional currency for the ETFs.

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 (loss)” in the Statements of Comprehensive Income.

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 and short-term investments.

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

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

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

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

AUD – Australian dollar	HKD – Hong Kong dollar
CAD – Canadian dollar	JPY – Japanese yen
CHF – Swiss franc	NOK – Norwegian krone
DKK – Danish krone	SEK – Swedish krona
EUR – Euro	SGD – Singapore dollar
GBP – Pound sterling	USD – United States dollar

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. There were no critical accounting judgments and estimates made to prepare these financial statements.

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.

Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, wars, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the ETFs' investments and performance.

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 Schedule 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 ETFs measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. All other receivables, amounts due from brokers, cash, margin and short-term deposits are held with counterparties with a credit rating of BBB- or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the ETFs. 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.

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.

Certain ETFs 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 ETFs 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 ETF.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of an ETF, 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 ETF Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of an ETF.

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 each class referred to as outstanding units. Each ETF is authorized to issue an unlimited number of redeemable and transferable units in each class, each of which represents an equal, undivided interest in the net asset value of that class 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 that class of the ETF.

On any trading day, an underwriter or designated broker may place a subscription or exchange (redemption) order for the prescribed number of units or 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 one trading day thereafter with the exception of RBC Quant European Dividend Leaders ETF, RBC Quant EAFE Dividend Leaders ETF and RBC Quant Emerging Markets Dividend Leaders ETF for which the ETF will issue units within one trading day and redeem units within two trading days. 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 that class of the ETF.

The ETFs exclude non-cash transactions from their operating and financing activities within the Statements of Cash Flow. The primary differences between amounts issued and redeemed within the Statements of Changes in NAV and the Statements of Cash Flow relate to in-kind transactions and switches between different series of the same ETF. Similarly, the "Cost of investments purchased" and "Proceeds from sale and maturity of investments" within the Statements of Cash Flow appropriately exclude in-kind transactions.

A trading day is each day on which the TSX and/or Cboe Canada is open for trading.

Unitholders may redeem units of an RBC ETF for cash at a redemption price per unit equal to the lesser of: (i) 95% of the closing price for the units on the Exchange on the effective day of the redemption; and (ii) the Net Asset Value per unit on the effective day of the redemption. Unitholders will generally be able to sell (rather than redeem) units at the full market price on the TSX or Cboe Canada, as the case may be, through a registered broker or dealer subject only to customary brokerage commissions. 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 NAV per unit of each class is derived by dividing the NAV of that class of ETF by the outstanding units of that class 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) (the "Tax Act"). 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.

If an ETF is not a mutual fund trust under the Tax Act throughout a taxation year, the ETF (i) may become liable for alternative minimum tax under the Tax Act in such year, (ii) would not be eligible for capital gains refunds under the Tax Act in such year, (iii) may be subject to the "mark-to-market" rules described below and (iv) may be subject to a special tax under Part XII.2 of the Tax Act described below in such year.

If an ETF does not qualify as a mutual fund trust and more than 50% (calculated on a fair market value basis) of the units of the ETF are held by one or more unitholders that are considered to be "financial institutions" for the purposes of certain special mark-to-market rules in the Tax Act, then the ETF itself will be treated as a financial institution under those special rules. Under those rules, the ETF will be required to recognize at least annually on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to unitholders. If more than 50% of the units of the ETF cease to be held by financial institutions, the tax year of the ETF will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the ETF and will be distributed to unitholders. A new taxation year for the ETF will then begin and for that and subsequent taxation years, for so long as not more than 50% of the units of the ETF are held by financial institutions, the ETF will not be subject to these special mark-to-market rules.

If at any time in a year an ETF that is not a mutual fund trust under the Tax Act throughout that year has a unitholder that is a "designated beneficiary", the ETF will be subject to a special tax at the rate of 40% under Part XII.2 of the Tax Act on its "designated income" within the meaning of the Tax Act. A "designated beneficiary" includes a non-resident, and "designated income" includes taxable capital gains from dispositions of "taxable Canadian property" and income from business carried on in Canada (which could include gains on certain derivatives). Where an ETF is subject to tax under Part XII.2 of the Tax Act, the ETF may make a designation which will result in unitholders that are not designated beneficiaries receiving a tax credit with respect to their share of the Part XII.2 tax paid by the ETF.

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.

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

The ETFs may be subject to withholding taxes levied by certain countries on foreign investment income and capital gains. Such income or gains are recorded on a gross basis and the related withholding taxes, or estimate of capital gains taxes is recorded as an expense in the Statements of Comprehensive Income. The withholding tax liability on capital gains is included in "Accounts payable and accrued expenses" in the Statements of Financial Position. The estimate could materially differ from the actual tax payable.

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 class of the ETF. 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 any costs and expenses of the Independent Review Committee ("IRC") of the ETFs 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 ETFs, will be responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the IRC.

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:
RBC Target 2025 U.S. Corporate Bond ETF
RBC Target 2026 U.S. Corporate Bond ETF
RBC Target 2027 U.S. Corporate Bond ETF
RBC Target 2028 U.S. Corporate Bond ETF
RBC Target 2029 U.S. Corporate Bond ETF
RBC Target 2030 U.S. Corporate Bond ETF
RBC Short Term U.S. Corporate Bond ETF
RBC U.S. Discount Bond ETF

The sub-advisor earns a fee which is calculated and accrued on a daily basis and is based on a percentage of the NAV of the class of the ETF. The sub-advisor is paid by the manager from the management fee paid by the ETFs.

Custodian and Valuation Agent

RBC IS is the custodian and valuation agent and holds the assets of the ETFs and provides administrative services to the ETFs. RBC IS earns a fee for these services, which is paid by the manager from the management fee paid by the ETFs.

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 IRC 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 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 ETFs, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETFs.

10. New IFRS Accounting Standards

In April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in the Financial Statements which aims to improve the quality of financial reporting by introducing new requirements which include new required categories and subtotals in the Statements of Comprehensive Income and enhanced guidance on grouping of information. IFRS 18 replaces IAS 1 Presentation of Financial Statements. This standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. RBC GAM is currently assessing the impact of these new requirements.