

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 11, 2020



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 QUANT U.S. DIVIDEND LEADERS ETF

June 30, 2020

Holdings	Security	Cost	Fair Value	% of Net Assets
UNITED STATES EQUITIES				
Communication Services				
111 662	AT&T Inc.	\$ 4 780	\$ 4 598	
33 179	Spok Holdings Inc.	623	423	
110 483	Verizon Communications Inc.	7 788	8 296	
		<u>13 191</u>	<u>13 317</u>	3.4
Consumer Discretionary				
2 437	Best Buy Co. Inc.	267	290	
3 300	Domino's Pizza Inc.	1 276	1 660	
37 894	eBay Inc.	2 136	2 707	
31 639	Gentex Corp.	1 027	1 110	
62 328	H&R Block, Inc.	1 777	1 212	
41 882	Home Depot Inc.	12 287	14 290	
3 734	Papa John's International Inc.	409	404	
53 066	Rent-A-Center Inc.	1 738	2 011	
5 623	Sturm Ruger & Co. Inc.	475	582	
12 155	Target Corporation	1 956	1 985	
15 872	Yum! Brands, Inc.	2 027	1 879	
		<u>25 375</u>	<u>28 130</u>	7.1
Consumer Staples				
82 491	Altria Group Inc.	4 469	4 410	
6 832	Clorox Company	1 366	2 041	
7 164	Costco Wholesale Corp.	3 032	2 959	
7 696	John B. Sanfilippo & Son Inc.	805	894	
12 574	Medifast Inc.	1 320	2 377	
84 342	Philip Morris International Inc.	9 564	8 048	
12 041	SpartanNash Co.	263	348	
5 601	The Hershey Co.	831	989	
21 521	The Kroger Co.	943	992	
70 131	The Procter & Gamble Co.	9 991	11 421	
20 470	Walmart Inc.	3 334	3 340	
		<u>35 918</u>	<u>37 819</u>	9.5
Energy				
15 583	Chevron Corp.	1 696	1 894	
92 014	Exxon Mobil Corp.	5 103	5 604	
38 617	Kinder Morgan Inc.	752	798	
53 271	TechnipFMC Plc.	529	496	
		<u>8 080</u>	<u>8 792</u>	2.2
Financials				
1 711	Allstate Corp.	226	226	
39 389	American International Group Inc.	2 575	1 673	
38 668	Ameriprise Financial Inc.	7 829	7 902	
74 885	Citigroup Inc.	6 769	5 212	
11 268	Federated Hermes Inc.	507	364	
6 203	Horace Mann Educators Corp.	323	310	
9 133	JPMorgan Chase & Co.	1 217	1 170	
153 575	Navient Corp.	2 789	1 470	
12 907	Prudential Financial Inc.	1 574	1 071	
18 131	S&P Global Inc.	6 481	8 136	
27 448	State Street Corp.	2 146	2 376	
75 146	Synchrony Financial	3 169	2 268	

Holdings	Security	Cost	Fair Value	% of Net Assets
Financials (cont.)				
101 975	Unum Group	\$ 3 886	\$ 2 304	
137 314	Waddell & Reed Financial Inc.	2 708	2 901	
116 078	Wells Fargo & Company	5 738	4 047	
		<u>47 937</u>	<u>41 430</u>	10.4
Health Care				
25 483	AbbVie Inc.	2 834	3 408	
44 295	AmerisourceBergen Corp.	5 059	6 079	
9 293	Amgen Inc.	2 191	2 985	
42 278	Cardinal Health Inc.	2 957	3 005	
23 424	Eli Lilly & Co.	3 655	5 238	
11 109	Gilead Sciences Inc.	1 122	1 164	
13 619	Humana Inc.	6 198	7 192	
60 257	Johnson & Johnson	10 372	11 542	
99 045	Merck & Co. Inc.	9 904	10 432	
3 893	UnitedHealth Group Incorporated	1 565	1 564	
		<u>45 857</u>	<u>52 609</u>	13.3
Industrials				
24 440	Cummins Engine Inc.	5 313	5 767	
1 887	Honeywell International Inc.	339	372	
8 536	Illinois Tool Works Inc.	1 658	2 033	
13 019	Inspire Inc.	1 631	1 148	
11 925	Landstar System Inc.	1 743	1 824	
16 906	Lockheed Martin Corporation	8 147	8 403	
16 102	Manpower Inc.	1 858	1 508	
14 803	Masco Corp.	932	1 012	
45 486	Otis Worldwide Corp.	3 340	3 523	
19 081	Robert Half International Inc.	1 413	1 373	
6 174	Rockwell Automation Inc.	1 398	1 791	
6 209	Werner Enterprises Inc.	380	368	
		<u>28 152</u>	<u>29 122</u>	7.3
Information Technology				
34 635	Accenture Plc., Class A	8 784	10 129	
66 186	Apple Inc.	24 194	32 885	
12 804	Automatic Data Processing Inc.	2 126	2 597	
59 243	Cisco Systems Inc.	3 271	3 763	
25 689	Citrix Systems Inc.	4 295	5 175	
19 794	HP Inc.	471	470	
32 780	Intuit Inc.	11 647	13 224	
36 837	Mastercard Inc.	14 387	14 836	
137 286	Microsoft Corp.	26 625	38 054	
45 465	NetApp Inc.	3 371	2 748	
15 298	NIC Inc.	486	478	
5 017	Nvidia Corp.	2 516	2 596	
13 511	Oracle Corporation	992	1 017	
78 534	QUALCOMM Inc.	7 658	9 756	
32 573	Seagate Technology	2 048	2 148	
53 164	Texas Instruments Inc.	7 688	9 194	
12 408	Visa Inc., Class A	3 007	3 265	
687	Xperi Holding Corp.	13	14	
		<u>123 579</u>	<u>152 349</u>	38.4

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



June 30, 2020

Holdings	Security	Cost	Fair Value	% of Net Assets
Materials				
6 782	Cabot Corp.	\$ 386	\$ 342	
58 887	Dow Inc.	3 087	3 269	
5 078	Hawkins Inc.	269	294	
65 994	International Paper Co.	3 681	3 165	
2 152	NewMarket Corp.	1 387	1 174	
5 010	Reliance Steel & Aluminum Co.	545	648	
67 183	Warrior Met Coal Inc.	1 634	1 408	
		<u>10 989</u>	<u>10 300</u>	<u>2.6</u>
Real Estate				
15 685	American Tower Corp. Real Estate Investment Trust	4 478	5 524	
4 319	CoreSite Realty Corp. Real Estate Investment Trust	653	712	
88 699	Iron Mountain Inc. Real Estate Investment Trust	3 077	3 153	
22 702	Simon Property Group Inc.	1 809	2 114	
22 798	Spirit Realty Capital Inc. Real Estate Investment Trust	849	1 082	
		<u>10 866</u>	<u>12 585</u>	<u>3.2</u>
Utilities				
28 224	Evergy Inc.	2 403	2 279	
13 643	Hawaiian Electric Industries Inc.	837	670	
19 703	NiSource Inc.	711	610	
77 998	NRG Energy Inc.	3 907	3 459	
23 698	Public Service Enterprise Group	1 815	1 587	
11 598	Southern Co.	857	819	
		<u>10 530</u>	<u>9 424</u>	<u>2.4</u>
TOTAL UNITED STATES EQUITIES		<u>360 474</u>	<u>395 877</u>	<u>99.8</u>
Less: Transaction costs		(30)	—	—
TOTAL INVESTMENTS		<u>\$ 360 444</u>	<u>395 877</u>	<u>99.8</u>
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			834	<u>0.2</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		<u>\$ 396 711</u>		<u>100.0</u>



Statements of Financial Position (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	June 30 2020	December 31 2019
ASSETS		
Investments at fair value	\$ 395 877	\$ 472 106
Cash	469	1 467
Dividends receivable, interest accrued and other assets	517	355
TOTAL ASSETS	396 863	473 928
LIABILITIES		
Distributions payable	–	1 252
Accounts payable and accrued expenses	152	186
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
	152	1 438
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")		
	\$ 396 711	\$ 472 490
Investments at cost		
	\$ 360 444	\$ 437 053
NAV		
CAD UNITS	\$ 359 979	\$ 395 920
USD UNITS	\$ 36 732	\$ 76 570
NAV PER UNIT		
CAD UNITS	\$ 36.73	\$ 37.35
USD UNITS*	\$ 26.97	\$ 28.80

* Stated in U.S. dollars.

Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2020	2019
INCOME (see note 3 in the generic notes)		
Dividends	\$ 5 867	\$ 7 576
Income from investment trusts	390	652
Net realized gain (loss) on investments	(20 420)	15 804
Change in unrealized gain (loss) on investments	380	28 143
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES		
	(13 783)	52 175
Other income (loss)	3	10
Securities lending revenue		
(see note 8 in the generic notes)	24	44
Net gain (loss) on foreign cash balances	90	(37)
TOTAL OTHER INCOME (LOSS)	117	17
TOTAL INCOME (LOSS)	(13 666)	52 192
EXPENSES (see notes – ETF Specific Information)		
Management fees	792	986
Independent Review Committee costs	1	1
GST/HST	72	90
Transaction costs	56	28
Withholding tax	845	1 103
TOTAL EXPENSES	1 766	2 208
INCREASE (DECREASE) IN NAV	\$ (15 432)	\$ 49 984
INCREASE (DECREASE) IN NAV		
CAD UNITS	\$ (6 287)	\$ 38 191
USD UNITS	\$ (9 145)	\$ 11 793
INCREASE (DECREASE) IN NAV PER UNIT		
CAD UNITS	\$ (0.63)	\$ 3.31
USD UNITS*	\$ (4.54)	\$ 2.82

* Stated in U.S. dollars.



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

For the periods ended June 30

(see note 2 in the generic notes)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ (15 432)	\$ 49 984
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	–	–
Net unrealized foreign exchange (gain) loss on cash	2	7
Net realized loss (gain) on investments	20 420	(15 804)
Change in unrealized loss (gain) on investments	(380)	(28 143)
Non-cash distributions from underlying funds	–	–
(Increase) decrease in accrued receivables	(162)	139
Increase (decrease) in accrued payables	(34)	25
Cost of investments purchased*	(165 617)	(133 622)
Proceeds from sale and maturity of investments*	165 976	133 456
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	4 773	6 042
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	164	133
Cash paid on redemption of redeemable units*	(269)	(110)
Distributions paid to holders of redeemable units	(5 664)	(7 443)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ (5 769)	\$ (7 420)
Net unrealized foreign exchange gain (loss) on cash	(2)	(7)
Net increase (decrease) in cash for the period	(996)	(1 378)
Cash (bank overdraft), beginning of period	1 467	2 139
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 469	\$ 754
Interest received (paid) [†]	\$ –	\$ –
Income from investment trusts received (paid) ^{†‡}	\$ 390	\$ 652
Dividends received (paid) ^{†‡}	\$ 4 860	\$ 6 612

* Excludes in-kind transactions.

[†] Classified as part of operating activities.

[‡] Net of withholding taxes, if applicable.



Statements of Changes in NAV (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	CAD Units		USD Units		Total	
	2020	2019	2020	2019	2020	2019
NAV AT BEGINNING OF PERIOD	\$ 395 920	\$ 377 074	\$ 76 570	\$ 40 115	\$ 472 490	\$ 417 189
INCREASE (DECREASE) IN NAV	(6 287)	38 191	(9 145)	11 793	(15 432)	49 984
Early redemption fees	—	—	—	—	—	—
Proceeds from redeemable units issued	28 555	18 760	42 045	83 739	70 600	102 499
Reinvestments of distributions to holders of redeemable units	—	—	—	—	—	—
Redemption of redeemable units	(54 317)	(38 090)	(72 218)	(38 331)	(126 535)	(76 421)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(25 762)	(19 330)	(30 173)	45 408	(55 935)	26 078
Distributions from net income	(3 892)	(4 550)	(520)	(1 216)	(4 412)	(5 766)
Distributions from net gains	—	—	—	—	—	—
Distributions from capital	—	—	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(3 892)	(4 550)	(520)	(1 216)	(4 412)	(5 766)
NET INCREASE (DECREASE) IN NAV	(35 941)	14 311	(39 838)	55 985	(75 779)	70 296
NAV AT END OF PERIOD	\$ 359 979	\$ 391 385	\$ 36 732	\$ 96 100	\$ 396 711	\$ 487 485



June 30, 2020

General information (see note 1 in the generic notes)

The investment objective of the ETF is to provide unitholders with exposure to the performance of a diversified portfolio of high-quality U.S. equity securities that are expected to provide regular income from dividends and that have the potential for long-term capital growth.

The closing market price as of June 30, 2020 of CAD Units was 36.49 (December 31, 2019 – 37.28) and of USD Units was 26.73 (December 31, 2019 – 28.69).

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

Concentration risk (%)

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

Investment mix	June 30 2020	December 31 2019
United States Equities		
Information Technology	38.4	30.6
Health Care	13.3	14.1
Financials	10.4	12.5
Consumer Staples	9.5	7.7
Industrials	7.3	8.2
Consumer Discretionary	7.1	10.1
Communication Services	3.4	3.8
Real Estate	3.2	4.7
Materials	2.6	2.4
Utilities	2.4	2.8
Energy	2.2	2.9
Other Net Assets	0.2	0.2
Total	100.0	100.0

Currency risk (% of NAV)

The table below summarizes the ETF's net exposure (after hedging, if any) to currency risk as at:

Currency	June 30 2020	December 31 2019
United States dollar	100.0	100.0
Total	100.0	100.0

As at June 30, 2020, if the Canadian dollar had strengthened or weakened by 5% in relation to the above currencies, with all other factors kept constant, the ETF's NAV may have decreased or increased, respectively, by approximately 5.0% (December 31, 2019 – 5.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

Other price risk (% impact on NAV)

In light of current market volatility related to COVID-19, management has applied 10% for other price risk sensitivity.

The table below shows the impact of a 10% (December 31, 2019 – 1%) change in the broad-based index (noted below) on the ETF's NAV, using a 36-month historical correlation of data of the ETF's return and the index, with all other factors kept constant, as at:

	June 30 2020	December 31 2019
S&P Composite 1500 Total Return Index (CAD)	+ or - 9.3	+ or - 0.9

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

Fair value hierarchy (\$000s except % amounts)

(see note 3 in the generic notes)

The following is a summary of the inputs used as of June 30, 2020 and December 31, 2019.

June 30, 2020	Level 1	Level 2	Level 3	Total
Equities	395 877	–	–	395 877
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	395 877	–	–	395 877
% of total portfolio	100.0	–	–	100.0

December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	472 106	–	–	472 106
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	472 106	–	–	472 106
% of total portfolio	100.0	–	–	100.0

For the periods ended June 30, 2020 and December 31, 2019, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



June 30, 2020

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 the following annual percentages, before GST/HST, of the daily NAV of the class of the ETF.

	Management fees
CAD Units	0.39%
USD Units	0.39%

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

The ETF had no capital or non-capital losses as at December 31, 2019.

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

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.

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

	2020	2019
CAD Units		
Opening units	10 600	11 750
Issued number of units	850	550
Reinvested number of units	–	–
Units consolidated*	–	–
Redeemed number of units	(1 650)	(1 100)
Ending number of units	9 800	11 200
USD Units		
Opening units	2 050	1 250
Issued number of units	1 300	2 600
Reinvested number of units	–	–
Units consolidated*	–	–
Redeemed number of units	(2 350)	(1 100)
Ending number of units	1 000	2 750

* 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.

Transaction costs (\$000s except %)

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

	June 30 2020		June 30 2019	
	\$	%	\$	%
Total transaction costs	56	100	28	100
Related-party brokerage commissions*	–	–	–	–
Commission arrangements [†]	1	2	1	4

* See note 9 in the generic notes.

[†] Commission arrangements are part of commission amounts paid to dealers. The ETF uses commission arrangements (formerly known as “soft dollars”) for research and/or order execution goods and services.

**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 2020	June 30 2019
Fair value of securities loaned	12 549	66 746
Fair value of collateral received	12 800	68 081

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.

	June 30 2020		June 30 2019	
	\$	%	\$	%
Gross revenue	38	100	63	100
RBC IS (paid)	(12)	(25)	(16)	(25)
Tax withheld	(2)	(5)	(3)	(5)
ETF revenue	24	70	44	70

**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:

	June 30 2020	December 31 2019
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF	25.1	19.0
RBC Strategic Global Dividend Leaders ETF	1.1	0.8
Total	26.2	19.8

June 30, 2020

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 11, 2020.

The units of the ETFs are listed either on the Toronto Stock Exchange (the “TSX”) or on the 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 2020 Corporate Bond Index ETF	RQH	FTSE Canada 2020 Maturity Corporate Bond Index
RBC Target 2021 Corporate Bond Index ETF	RQI	FTSE Canada 2021 Maturity Corporate Bond Index
RBC Target 2022 Corporate Bond Index ETF	RQJ	FTSE Canada 2022 Maturity Corporate Bond Index
RBC Target 2023 Corporate Bond Index ETF	RQK	FTSE Canada 2023 Maturity Corporate Bond Index
RBC Target 2024 Corporate Bond Index ETF	RQL	FTSE Canada 2024 Maturity Corporate Bond Index
RBC Target 2025 Corporate Bond Index ETF	RQN	FTSE Canada 2025 Maturity Corporate Bond Index
RBC Canadian Discount Bond ETF	RCDB	Not applicable
RBC PH&N Short Term Canadian Bond ETF	RPSB	Not applicable
RBC Short Term U.S. Corporate Bond ETF	RUSB RUSB.U	Not applicable
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 Vision Women’s Leadership MSCI Canada Index ETF	RLDR	MSCI Canada IMI Women’s Leadership Select Index

ETF	Exchange Ticker Symbol	Index*
RBC Canadian Bank Yield Index ETF	RBNK	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. Banks Yield Index ETF	RUBY RUBY.U	Solactive U.S. Bank Yield NTR Index
RBC U.S. Banks Yield (CAD Hedged) Index ETF	RUBH	Solactive U.S. Bank Yield NTR (CAD Hedged) 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 Quant Emerging Markets Dividend Leaders ETF	RXD RXD.U	Not applicable
RBC Quant Emerging Markets Equity Leaders ETF	RXE RXE.U	Not applicable
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.

June 30, 2020

2. Financial period

The information provided in these financial statements and notes thereto is as at June 30, 2020 and December 31, 2019, as applicable, and for the six-month periods ended June 30, 2020 and June 30, 2019, as applicable, except for ETFs or classes established during either period, in which case the information for the ETF, or class, is provided for the period from the start date as described in the Notes to Financial Statements – ETF Specific Information of the ETF.

The financial year-end of the ETFs has been changed from December 31 to September 30. In accordance with regulatory requirements, notice of the change was filed with the authorities concerned. Consequently, the next annual report of the ETFs will be as at September 30, 2020.

3. Summary of significant accounting policies

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

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the ETFs classify their 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.

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.

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 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

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(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, 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.

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

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. Procedures are in place to determine the fair value of foreign securities traded in countries outside of North America daily to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

Management also has procedures where the 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.

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.

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.

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

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.

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

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 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 and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the 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. Rating data is provided by the Licensor 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 Licensor Parties.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency

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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 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 that class of the ETF.

A trading day is each day on which the TSX and/or the NEO Exchange 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 that class of the ETF's units at the next valuation following receipt of the cash redemption request. Unitholders will generally be able to sell (rather than redeem) units at the full market price on the TSX or the Neo Exchange, 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). 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 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 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). Effective

January 1, 2020, 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 Independent Review Committee. The ETFs will continue to be responsible for paying any Independent Review Committee costs that are not related to annual fees, meeting fees and reimbursement for expenses to members of the Independent Review Committee.

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 class of the ETF. 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

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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.