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.

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

May 9, 2024

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 U.S. DISCOUNT BOND ETF

March 31, 2024

	Par Value (000s)	Cost ($)	Fair Value ($)	% of Net Assets
GLOBAL BONDS				
Australia				
National Australia Bank Ltd. 3.905% Jun 09, 2027 USD	250	328	329	
Westpac Banking Corp. 1.953% Nov 20, 2028 USD	350	410	418	
		738	747	**1.1**
Canada				
Bank of Montreal 1.250% Sep 15, 2026 USD	200	241	247	
Bank of Montreal 0.949% Jan 22, 2027 USD	550	686	690	
Bank of Nova Scotia 1.350% Jun 24, 2026 USD	200	243	250	
Canadian Imperial Bank of Commerce 3.450% Apr 07, 2027 USD	250	321	324	
Canadian Pacific Railway Co. 1.350% Dec 02, 2024 USD	250	321	329	
Rogers Communications Inc. 2.950% Mar 15, 2025 USD	250	327	330	
Toronto-Dominion Bank 1.200% Jun 03, 2026 USD	400	484	498	
		2,623	2,668	**4.0**
Japan				
Mitsubishi UFJ Financial Group Inc. 0.962% Oct 11, 2025 USD	300	387	396	
Mitsubishi UFJ Financial Group Inc. 3.195% Jul 18, 2029 USD	525	656	651	
Sumitomo Mitsui Financial Group Inc. 2.472% Jan 14, 2029 USD	300	356	363	
		1,399	1,410	**2.1**
Netherlands				
Shell International Finance BV 2.500% Sep 12, 2026 USD	250	315	321	
		315	321	**0.5**
Switzerland				
UBS AG 1.250% Jun 01, 2026 USD	350	431	436	
		431	436	**0.6**
United Kingdom				
Barclays Plc. 2.279% Nov 24, 2027 USD	575	713	716	
Diageo Capital Plc. 1.375% Sep 29, 2025 USD	326	415	418	
HSBC Holdings Plc. 1.645% Apr 18, 2026 USD	200	256	259	
HSBC Holdings Plc. 2.251% Nov 22, 2027 USD	200	246	250	
Lloyds Banking Group Plc. 2.438% Feb 05, 2026 USD	250	325	329	
		1,955	1,972	**3.0**
United States				
AbbVie Inc. 3.600% May 14, 2025	300	396	399	
Air Products and Chemicals Inc. 1.850% May 15, 2027	250	309	311	
Amazon.com Inc. 1.000% May 12, 2026	350	434	438	
Amazon.com Inc. 1.650% May 12, 2028	150	179	181	
Amcor Finance USA Inc. 3.625% Apr 28, 2026	100	127	131	
Ameren Corp. 1.950% Mar 15, 2027	225	277	280	
American Express Co. 1.650% Nov 04, 2026	200	246	248	
American Honda Finance Corp. 1.300% Sep 09, 2026	350	427	434	
American Tower Corp. 3.125% Jan 15, 2027	200	251	256	
Amgen Inc. 2.600% Aug 19, 2026	250	316	320	
Analog Devices Inc. 1.700% Oct 01, 2028	250	295	297	
Apple Inc. 0.700% Feb 08, 2026	100	123	126	
Apple Inc. 1.200% Feb 08, 2028	100	119	120	
Archer-Daniels-Midland Co. 2.500% Aug 11, 2026	300	381	384	
Astrazeneca Finance LLC 1.200% May 28, 2026	250	306	313	
AT&T Inc. 1.650% Feb 01, 2028	300	352	360	
Automatic Data Processing Inc. 3.375% Sep 15, 2025	118	157	156	
Baker Hughes Holdings LLC / Baker Hughes Co-Obligor Inc. 2.061% Dec 15, 2026	300	375	375	
Bank of America Corp. 2.456% Oct 22, 2025	200	261	266	

March 31, 2024

	Par Value (000s)	Cost ($)	Fair Value ($)	% of Net Assets
United States (cont.)				
Bank of America Corp. 1.319% Jun 19, 2026	400	506	515	
Bank of America Corp. 2.551% Feb 04, 2028	300	370	377	
Bank of America Corp. 2.087% Jun 14, 2029	400	481	478	
Bank of New York Mellon Corp. 3.442% Feb 07, 2028	350	452	454	
BP Capital Markets America Inc. 3.410% Feb 11, 2026	300	393	395	
BP Capital Markets America Inc. 3.017% Jan 16, 2027	300	388	388	
Bristol-Myers Squibb Co. 0.750% Nov 13, 2025	100	124	127	
Broadcom Corp. / Broadcom Cayman Finance Ltd. 3.125% Jan 15, 2025	100	129	133	
Carrier Global Corp. 2.242% Feb 15, 2025	100	126	131	
Caterpillar Financial Services Corp. 0.800% Nov 13, 2025	100	124	127	
Caterpillar Financial Services Corp. 0.900% Mar 02, 2026	250	311	313	
CenterPoint Energy Houston Electric LLC 3.000% Feb 01, 2027	350	449	450	
Chevron Corp. 1.995% May 11, 2027	300	373	375	
Cisco Systems Inc. 2.500% Sep 20, 2026	400	511	513	
Citigroup Inc. 1.281% Nov 03, 2025	200	257	263	
Citigroup Inc. 1.122% Jan 28, 2027	550	686	689	
Comcast Corp. 2.350% Jan 15, 2027	100	123	127	
Consolidated Edison Co. of New York Inc. 4.000% Dec 01, 2028	300	392	396	
Crown Castle Inc. 1.350% Jul 15, 2025	200	253	257	
Cummins Inc. 0.750% Sep 01, 2025	100	122	128	
CVS Health Corp. 1.300% Aug 21, 2027	250	293	300	
DTE Energy Co. 1.050% Jun 01, 2025	200	252	257	
Duke Energy Carolinas LLC 3.950% Nov 15, 2028	300	391	393	
EIDP Inc. 1.700% Jul 15, 2025	250	320	323	
Emera U.S. Finance LP 0.833% Jun 15, 2024	200	262	268	
Entergy Louisiana LLC 0.950% Oct 01, 2024	100	125	132	
Entergy Louisiana LLC 3.250% Apr 01, 2028	250	313	319	
Equifax Inc. 2.600% Dec 15, 2025	100	128	129	
Evergy Inc. 2.450% Sep 15, 2024	225	297	300	
Evergy Kansas Central Inc. 2.550% Jul 01, 2026	300	385	385	
Eversource Energy 2.900% Mar 01, 2027	200	251	255	
Fidelity National Information Services Inc. 1.650% Mar 01, 2028	200	232	239	
Florida Power & Light Co. 3.300% May 30, 2027	200	257	257	
FMC Corp. 3.200% Oct 01, 2026	250	314	320	
General Motors Financial Co. Inc. 2.900% Feb 26, 2025	200	261	264	
Global Payments Inc. 1.200% Mar 01, 2026	200	241	250	
Goldman Sachs Group Inc. 1.093% Dec 09, 2026	400	493	503	
Goldman Sachs Group Inc. 1.948% Oct 21, 2027	200	242	249	
Goldman Sachs Group Inc. 3.814% Apr 23, 2029	400	516	513	
Home Depot Inc. 2.125% Sep 15, 2026	200	252	254	
Home Depot Inc. 1.500% Sep 15, 2028	200	235	237	
Intel Corp. 1.600% Aug 12, 2028	200	235	238	
J.P. Morgan Chase & Co. 1.045% Nov 19, 2026	400	492	505	
J.P. Morgan Chase & Co. 2.947% Feb 24, 2028	450	569	572	
J.P. Morgan Chase & Co. 2.069% Jun 01, 2029	400	483	480	
John Deere Capital Corp. 0.700% Jan 15, 2026	100	123	126	
John Deere Capital Corp. 1.700% Jan 11, 2027	250	309	311	
Kimco Realty OP LLC 1.900% Mar 01, 2028	250	291	299	
Kinder Morgan Inc. 1.750% Nov 15, 2026	300	364	373	
Linde Inc. 3.200% Jan 30, 2026	250	327	328	
Merck & Co. Inc. 0.750% Feb 24, 2026	100	121	126	
Microchip Technology Inc. 0.983% Sep 01, 2024	250	322	331	
Mid-America Apartments LP 4.000% Nov 15, 2025	250	331	332	
MidAmerican Energy Co. 3.100% May 01, 2027	250	322	322	
MidAmerican Energy Co. 3.650% Apr 15, 2029	300	387	386	
Morgan Stanley 0.790% May 30, 2025	200	259	268	
Morgan Stanley 1.512% Jul 20, 2027	350	433	435	
Morgan Stanley 2.475% Jan 21, 2028	300	368	378	

March 31, 2024

	Par Value (000s)	Cost ($)	Fair Value ($)	% of Net Assets
United States (cont.)				
Morgan Stanley 3.772% Jan 24, 2029	400	518	515	
NextEra Energy Capital Holdings Inc. 1.900% Jun 15, 2028	200	233	240	
NNN REIT Inc. 3.500% Oct 15, 2027	200	251	257	
Oncor Electric Delivery Co. LLC 3.700% Nov 15, 2028	174	222	223	
Oracle Corp. 1.650% Mar 25, 2026	200	248	253	
PACCAR Financial Corp. 1.800% Feb 06, 2025	100	129	131	
PACCAR Financial Corp. 2.000% Feb 04, 2027	250	311	313	
Pfizer Inc. 3.000% Dec 15, 2026	200	258	259	
PNC Financial Services Group Inc. 1.150% Aug 13, 2026	250	298	309	
PPG Industries Inc. 1.200% Mar 15, 2026	200	243	251	
Prologis LP 3.250% Oct 01, 2026	250	324	324	
Public Storage Operating Co. 1.500% Nov 09, 2026	250	308	311	
Realty Income Corp. 4.125% Oct 15, 2026	200	263	264	
Realty Income Corp. 3.950% Aug 15, 2027	100	129	131	
Southern Co. 1.750% Mar 15, 2028	200	235	239	
Southern Power Co. 0.900% Jan 15, 2026	200	247	251	
Spectra Energy Partners LP 3.500% Mar 15, 2025	200	261	265	
Take-Two Interactive Software Inc. 3.550% Apr 14, 2025	200	260	266	
Teledyne Technologies Inc. 1.600% Apr 01, 2026	100	121	126	
Texas Instruments Inc. 2.900% Nov 03, 2027	400	509	510	
T-Mobile USA Inc. 1.500% Feb 15, 2026	200	247	253	
Toyota Motor Credit Corp. 0.800% Oct 16, 2025	200	247	254	
Toyota Motor Credit Corp. 1.900% Apr 06, 2028	250	302	304	
Truist Financial Corp. 1.887% Jun 07, 2029	350	408	411	
TWDC Enterprises 18 Corp. 1.850% Jul 30, 2026	150	186	190	
U.S. Bancorp 2.375% Jul 22, 2026	200	246	255	
U.S. Bancorp 2.215% Jan 27, 2028	250	301	312	
Union Pacific Corp. 3.250% Aug 15, 2025	200	264	264	
Union Pacific Corp. 2.150% Feb 05, 2027	200	245	252	
United States Treasury Note 0.375% Apr 30, 2025	2,340	2,988	3,014	
United States Treasury Note 0.375% Jan 31, 2026	4,460	5,563	5,580	
United States Treasury Note 0.500% May 31, 2027	1,935	2,307	2,320	
United States Treasury Note 0.500% Oct 31, 2027	2,850	3,349	3,369	
United States Treasury Note 1.250% Apr 30, 2028	4,675	5,555	5,609	
United States Treasury Note 1.375% Oct 31, 2028	1,850	2,191	2,206	
United States Treasury Note 1.875% Feb 28, 2029	1,700	2,064	2,061	
UnitedHealth Group Inc. 1.150% May 15, 2026	300	370	376	
Verizon Communications Inc. 1.450% Mar 20, 2026	250	312	316	
Visa Inc. 2.750% Sep 15, 2027	400	507	509	
WEC Energy Group Inc. 1.375% Oct 15, 2027	100	116	119	
Wells Fargo & Co. 0.805% May 19, 2025	200	259	269	
Wells Fargo & Co. 2.188% Apr 30, 2026	400	513	521	
Wells Fargo & Co. 2.393% Jun 02, 2028	400	492	496	
		58,097	58,686	**87.9**
TOTAL INVESTMENTS		65,558	66,240	**99.2**
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			549	**0.8**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			66,789	**100.0**

Statements of Financial Position *(unaudited)*

(in $000s except per unit amounts)

(see note 2 in the generic notes)		March 31, 2024		September 30, 2023
ASSETS				
Investments at fair value	$	66,240	$	13,725
Cash		206		7
Due from investment dealers		3,603		–
Dividends receivable, interest accrued and other assets		337		53
TOTAL ASSETS		70,386		13,785
LIABILITIES				
Due to investment dealers		3,581		–
Accounts payable and accrued expenses		16		4
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		3,597		4
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	$	66,789	$	13,781
Investments at cost	$	65,558	$	13,709
NAV				
CAD UNITS	$	39,462	$	4,922
USD UNITS	$	27,327	$	8,859
NAV PER UNIT				
CAD UNITS	$	20.24	$	19.69
USD UNITS*	$	14.95	$	14.56

* Stated in U.S. dollars.

Statements of Comprehensive Income *(unaudited)*

(in $000s except per unit amounts)

For the periods ended March 31 (see note 2 in the generic notes)		2024
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	$	406
Net realized gain (loss) on investments		161
Change in unrealized gain (loss) on investments and derivatives		666
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES		1,233
Other income (loss)		2
Net gain (loss) on foreign cash balances		(6)
TOTAL OTHER INCOME (LOSS)		(4)
TOTAL INCOME (LOSS)		1,229
EXPENSES (see notes – ETF Specific Information)		
Management fees		53
Independent Review Committee costs		1
GST/HST		6
TOTAL EXPENSES		60
INCREASE (DECREASE) IN NAV	$	1,169
INCREASE (DECREASE) IN NAV		
CAD UNITS	$	561
USD UNITS	$	608
INCREASE (DECREASE) IN NAV PER UNIT		
CAD UNITS	$	0.54
USD UNITS*	$	0.42

* Stated in U.S. dollars.

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)		2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	$	1,169
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Amortization of premium and discounts		–
Net unrealized foreign exchange (gain) loss on cash		1
Net realized loss (gain) on investments		(161)
Change in unrealized loss (gain) on investments and derivatives		(666)
Non-cash dividends		–
Non-cash distributions from underlying funds		–
(Increase) decrease in accrued receivables		(284)
Increase (decrease) in accrued payables		12
Cost of investments purchased*		(19,234)
Proceeds from sale and maturity of investments*		19,798
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		635
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*		–
Cash paid on redemption of redeemable units*		–
Distributions paid to holders of redeemable units		(435)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	$	(435)
Net unrealized foreign exchange gain (loss) on cash		(1)
Net increase (decrease) in cash for the period		200
Cash (bank overdraft), beginning of period		7
CASH (BANK OVERDRAFT), END OF PERIOD	$	206
Interest received (paid)†	$	122
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.

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

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

For the periods ended March 31 (see note 2 in the generic notes)	CAD Units 2024	USD Units 2024	Total 2024
NAV AT BEGINNING OF PERIOD	**$ 4,922**	**$ 8,859**	**$ 13,781**
INCREASE (DECREASE) IN NAV	**561**	**608**	**1,169**
Early redemption fees	–	–	–
Proceeds from redeemable units issued	**36,215**	**22,093**	**58,308**
Reinvestments of distributions to holders of redeemable units	–	–	–
Redemption of redeemable units	**(2,017)**	**(4,017)**	**(6,034)**
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	**34,198**	**18,076**	**52,274**
Distributions from net income	**(219)**	**(216)**	**(435)**
Distributions from net gains	–	–	–
Distributions from capital	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	**(219)**	**(216)**	**(435)**
NET INCREASE (DECREASE) IN NAV	**34,540**	**18,468**	**53,008**
NAV AT END OF PERIOD	**$ 39,462**	**$ 27,327**	**$ 66,789**

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

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 primarily short-term fixed-income securities issued in the U.S. market by U.S. governments and U.S. and foreign corporations which at the time of purchase are trading below the weighted average price of the universe of U.S. short-term bonds to provide regular income while preserving capital.

The ETF was started April 20, 2023.

The closing market price as of March 31, 2024 of CAD Units was $20.38 (September 30, 2023 – $19.76) and of USD Units was US$14.98 (September 30, 2023 – US$14.62).

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, 2024**	September 30, 2023
AA	**41.3**	47.9
A	**38.0**	25.4
BBB	**20.7**	26.7
Total	**100.0**	100.0

Concentration risk (%)

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

Investment mix	**March 31, 2024**	September 30, 2023
United States	**87.9**	93.4
Canada	**4.0**	4.5
United Kingdom	**3.0**	–
Japan	**2.1**	–
Australia	**1.1**	0.8
Switzerland	**0.6**	–
Netherlands	**0.5**	0.9
Cash/Other	**0.8**	0.4
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, 2024**	September 30, 2023
Less than 1 year	**3.9**	5.2
1 – 5 years	**91.7**	94.0
5 – 10 years	**4.4**	0.8
> 10 years	**–**	–
Total	**100.0**	100.0

As at March 31, 2024, 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 2.4% (September 30, 2023 – 2.4%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of NAV)

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

Currency	**March 31, 2024**	September 30, 2023
United States dollar	**99.5**	99.6
Total	**99.5**	99.6

As at March 31, 2024, 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% (September 30, 2023 – 5.0%). 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, 2024 and September 30, 2023.

March 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	**–**	**–**	**–**	**–**
Underlying funds	**–**	**–**	**–**	**–**
Fixed-income and debt securities	**–**	**66,240**	**–**	**66,240**
Short-term investments	**–**	**–**	**–**	**–**
Derivatives – assets	**–**	**–**	**–**	**–**
Derivatives – liabilities	**–**	**–**	**–**	**–**
Total financial instruments	**–**	**66,240**	**–**	**66,240**
% of total portfolio	**–**	**100.0**	**–**	**100.0**

September 30, 2023	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	13,725	–	13,725
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	13,725	–	13,725
% of total portfolio	–	100.0	–	100.0

For the periods ended March 31, 2024 and September 30, 2023, 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 the following annual percentages, before GST/HST, of the daily NAV of the class of the ETF.

	Management fees
CAD Units	0.25%
USD Units	0.25%

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 2023.

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 March 31 (see note 2 in the generic notes)	2024
CAD Units	
Opening units	**250**
Issued number of units	**1,800**
Reinvested number of units	**–**
Units consolidated*	**–**
Redeemed number of units	**(100)**
Ending number of units	**1,950**

For the periods ended March 31 (see note 2 in the generic notes)	2024
USD Units	
Opening units	**450**
Issued number of units	**1,100**
Reinvested number of units	**–**
Units consolidated*	**–**
Redeemed number of units	**(200)**
Ending number of units	**1,350**

* 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, 2024
Fair value of securities loaned	**4,993**
Fair value of collateral received	**5,093**

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, 2024	
	$	%
Gross revenue	–	**100**
RBC IS (paid)	–	**(20)**
Tax withheld	–	–
ETF revenue	–	**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, 2024	September 30, 2023
RBC U.S. Discount Bond (CAD Hedged) ETF	**42.0**	21.2

March 31, 2024

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 9, 2024.

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 2024 Canadian Government Bond ETF	RGQL
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 2024 Canadian Corporate Bond Index ETF	RQL
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 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, 2024 and September 30, 2023, 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, 2024 and March 31, 2023, 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.

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 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
CAD – Canadian dollar
CHF – Swiss franc
DKK – Danish krone
EUR – Euro
GBP – Pound sterling
HKD – Hong Kong dollar
JPY – Japanese yen
NOK – Norwegian krone
SEK – Swedish krona
SGD – Singapore dollar
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 a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency risk as disclosed in the 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.

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.

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 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.

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 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.