

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.

May 10, 2021



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 EMERGING MARKETS DIVIDEND LEADERS ETF

March 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
INTERNATIONAL EQUITIES				
Communication Services				
21 600	Advanced Info Service PCL, Subscription Receipts	\$ 170	\$ 151	
137 100	America Movil S.A.B. de C.V.	124	118	
1 375	Autohome Inc. ADR	199	161	
3 390	Cheil Communications Inc.	81	80	
91 800	China South Publishing & Media Group Co. Ltd.	181	185	
44 225	Emirates Telecommunications Group Co. PJSC	257	327	
11 500	Focus Media Information Technology Co. Ltd.	21	20	
2 100	G-bits Network Technology Xiamen Co. Ltd.	167	150	
1 960	Globe Telecom Inc.	101	95	
3 363	Hellenic Telecommunications Organization S.A.	64	68	
763	JOYY Inc. ADR	107	90	
808	Kakao Corp.	370	447	
2 700	Mango Excellent Media Co. Ltd.	37	30	
46 197	Mobile Telecommunications Co. KSC	120	116	
5 584	Momo Inc. ADR	175	103	
17 290	MTN Group Ltd.	105	128	
10 070	MultiChoice Group Ltd.	112	111	
1 440	NAVER Corp.	369	603	
352	NCSOFT Corp.	296	341	
6 139	Netease.com ADR	444	797	
36 892	Ooredoo Q.S.C.	92	90	
23 600	Perfect World Co. Ltd.	117	90	
577	SK Telecom Co. Ltd.	161	176	
942 012	Telkom Indonesia Persero Tbk PT	358	279	
39 000	Tencent Holdings Ltd.	2 954	3 846	
21 826	Vodacom Group (Pty) Ltd.	299	235	
16 800	Wuhu Sanqi Interactive Entertainment Network Technology Group Co. Ltd.	99	71	
5 062	Zee Entertainment Enterprises Ltd.	18	18	
		7 598	8 926	17.8
Consumer Discretionary				
6 500	Byd Co. Ltd.	202	173	
2 400	China Tourism Group Duty Free Corp. Ltd.	84	141	
528	CJ ENM Co. Ltd.	84	83	
10 000	Geely Automobile Holdings Ltd.	25	32	
9 000	Giant Manufacturing Co. Ltd.	116	136	
5 871	Hero Motocorp Ltd.	318	294	
16 300	Home Product Center PCL NVDR	9	10	
796	Huazhu Group Ltd. ADR	52	55	

Holdings	Security	Cost	Fair Value	% of Net Assets
Consumer Discretionary (cont.)				
220	Hyundai Mobis	\$ 59	\$ 71	
374	Hyundai Motor Co.	101	91	
900	Joyoung Co. Ltd.	5	5	
2 628	Kia Motors Corp.	80	242	
339	LG Electronics Inc.	61	56	
16 500	Li Ning Co. Ltd.	79	135	
11 443	Motherson Sumi Systems Ltd.	43	40	
20 520	Mr. Price Group Ltd.	242	338	
33 900	Offcn Education Technology Co. Ltd.	238	183	
10 020	OPAP S.A.	139	171	
450	Page Industries Ltd.	181	235	
57 500	Zhejiang Semir Garment Co. Ltd.	101	112	
		2 219	2 603	5.2
Consumer Staples				
1 898	BGF Retail Co. Ltd.	348	333	
9 300	By-health Co. Ltd.	41	51	
120 000	China Feihe Ltd.	344	427	
5 700	Chongqing Brewery Co. Ltd.	161	122	
10 673	Clicks Group Ltd.	224	218	
16 770	Coca-Cola Femsa S.A.B. de C.V.	95	97	
8 627	Colgate-Palmolive India Ltd.	232	231	
71 500	Dali Foods Group Co. Ltd.	70	51	
5 820	Foshan Haitian Flavouring & Food Co. Ltd.	102	178	
2 500	Heilongjiang Agriculture Co. Ltd.	8	8	
1 243	Hindustan Unilever Ltd.	42	52	
1 400	JiuGui Liquor Co. Ltd.	42	41	
47 600	Kimberly-Clark de Mexico S.A.	117	102	
3 600	Nestlé (Malaysia) Berhad	159	147	
1 542	Nestlé India Ltd.	362	455	
386 800	PT Unilever Indonesia Tbk	318	220	
34 500	Sanquan Food Co. Ltd.	187	150	
500	Shanxi Xinghuacun Fen Wine Factory Co. Ltd.	25	32	
27 908	Shoprite Holdings Ltd.	333	373	
3 100	Sichuan Swellfun Co. Ltd.	49	43	
62 500	Sun Art Retail Group Ltd.	76	64	
3 881	The SPAR Group Ltd.	66	63	
4 000	Tsingtao Brewery Co. Ltd.	45	45	
39 100	Wal-Mart de Mexico S.A.B. de C.V.	145	155	
2 000	Yihai International Holding Ltd.	40	26	
		3 631	3 684	7.3
Energy				
84 000	China Petroleum & Chemical Corp.	51	56	
56 000	China Shenhua Energy Co. Ltd. 'H'	147	145	
4 359	Exxaro Resources Ltd.	59	65	
42 000	Formosa Petrochemical Corp.	197	179	
3 869	GS Holdings Corp.	182	168	
10 168	Oil & Natural Gas Corp Ltd.	19	18	

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



March 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
Energy (cont.)				
52 800	Petroleo Brasileiro S.A.	\$ 294	\$ 283	
1 814	Polski Koncern Naftowy Orlen S.A.	64	37	
119 128	Polskie Gornictwo Naftowe i Gazownictwo S.A.	235	228	
52 600	PTT Exploration & Production PCL	152	241	
159 000	PTT PCL	282	262	
46 330	Qatar Gas Transport Co. Ltd.	52	50	
26	SK Innovation Co. Ltd.	8	6	
272	S-Oil Corp.	27	25	
		1 769	1 763	3.5

Holdings	Security	Cost	Fair Value	% of Net Assets
Financials				
42 315	Abu Dhabi Commercial Bank PJSC	94	90	
432 000	Agricultural Bank of China Ltd.	210	217	
14 500	B3 SA – Brasil Bolsa Balcao	183	176	
30 000	Banco Bradesco S.A. Preference	163	179	
1 026 825	Banco de Chile	177	153	
37 500	Banco do Brasil S.A.	511	254	
27 400	Banco Santander Brasil S.A.	302	242	
2 373 166	Banco Santander Chile	231	187	
1 407 454	Bank of China Ltd.	836	674	
388 000	Bank of Communications Co. Ltd.	321	310	
627 000	China Citic Bank	381	400	
584 000	China Construction Bank Corp.	732	617	
118 000	China Everbright Bank Co. Ltd.	65	65	
33 000	China Life Insurance Co. Ltd.	100	86	
9 000	China Merchants Bank Co. Ltd.	87	86	
288 500	China Minsheng Banking Corp., Ltd.	271	210	
2 373	DB Insurance Co. Ltd.	117	125	
41 655	Dubai Islamic Bank PJSC	76	65	
3 842	Emirates NBD Bank PJSC	15	15	
41 575	First Abu Dhabi Bank PJSC	163	208	
47 256	FirstRand Ltd.	192	208	
9 020	Hana Financial Group Inc.	313	429	
6 800	Hithink RoyalFlush Information Network Co. Ltd.	168	156	
1 285	Housing Development Finance Corp.	53	55	
338 000	Industrial & Commercial Bank of China	271	305	
40 800	Itau Unibanco Holding S.A. Preference	340	254	
900	Kasikornbank PCL	5	5	
4 368	KB Financial Group Inc.	210	273	
89	Korea Investment Holdings Co. Ltd.	5	8	
6 270	LG Investment & Securities Co.	68	81	
209 489	Masraf Al Rayan	293	310	
10 335	Meritz Securities Co. Ltd.	44	53	
299 000	Metro Pacific Investments Corp.	32	29	
11 510	Mirae Asset Daewoo Co. Ltd.	118	126	
14 542	National Bank of Kuwait SAKP	48	49	
19 442	Old Mutual Ltd.	19	21	
16 500	Ping An Insurance Group Company of China Ltd.	243	247	
777	Piramal Enterprises Ltd.	25	23	
61 000	Postal Savings Bank of China Co. Ltd.	48	57	

Holdings	Security	Cost	Fair Value	% of Net Assets
Financials (cont.)				
16 500	PT Bank Mandiri Persero Tbk	\$ 9	\$ 9	
17 904	Qatar National Bank SAQ	118	111	
2 373	Samsung Card Co. Ltd.	95	91	
239	Samsung Fire & Marine Insurance Co. Ltd.	77	50	
26 073	Sanlam Ltd.	126	132	
5 398	Shinhan Financial Group Co. Ltd.	276	225	
10 837	Standard Bank Group Ltd.	81	116	
4 929	Sul America S.A.	46	38	
20 400	The Siam Commercial Bank PCL	61	91	
14 394	Woori Financial Group Inc.	222	161	
		8 641	8 072	16.1

Holdings	Security	Cost	Fair Value	% of Net Assets
Health Care				
2 200	Apeloa Pharmaceutical Co. Ltd.	10	12	
14 283	Aurobindo Pharma Ltd.	215	216	
3 800	BGI Genomics Co. Ltd.	101	89	
39 000	China Medical System Holdings Ltd.	59	97	
80 000	CSPC Pharmaceutical Group Ltd.	109	122	
596	Dr. Reddy's Laboratories Ltd. ADR	31	46	
800	Guangzhou Wondfo Biotech Co. Ltd.	14	13	
44 600	Hartalega Holdings Berhad	185	121	
4 700	Hubei Jumpcan Pharmaceutical Co. Ltd.	20	18	
3 900	Intco Medical Technology Co. Ltd.	156	121	
9 100	Jiangsu Hengrui Medicine Co. Ltd.	159	161	
16 100	Jiangsu Yuyue Medical Equipment Supply Co	96	81	
47 100	Kossan Rubber Industries	71	47	
3 239	Lupin Ltd.	56	57	
3 694	Richter Gedeon Nyrt.	112	137	
557	Seegene Inc.	90	80	
1 200	Shenzhen Mindray Bio-Medical Electronics Co. Ltd.	48	92	
114 300	Sri Trang Gloves Thailand PCL	194	188	
12 395	Sun Pharmaceutical Industries Ltd.	122	127	
183 800	Top Glove Corp. Berhad	366	252	
		2 214	2 077	4.1

Holdings	Security	Cost	Fair Value	% of Net Assets
Industrials				
29 340	Aboitiz Equity Ventures Inc.	46	26	
46 000	Beijing Capital International Airport Co. Ltd.	48	45	
27 210	CCR S.A.	135	78	
334 000	Citic Pacific Ltd.	487	397	
24 360	Container Corp. of India Ltd.	168	250	
36 000	Country Garden Services Holdings Co. Ltd.	203	459	
22 200	Daqin Railway Co. Ltd.	37	30	
645	GS Engineering & Construction Corp.	28	31	
8 000	Haitian International Holdings Ltd.	25	40	
2 059	Hyundai Engineering & Construction Co., Ltd.	77	101	
180	Hyundai Glovis Co. Ltd.	40	37	
24 980	International Container Terminal Services Inc.	87	78	

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



March 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
Industrials (cont.)				
506	LG Corp.	\$ 41	\$ 51	
61 100	Metallurgical Corp of China Ltd.	43	40	
28 500	Sime Darby Berhad	19	21	
58 500	Sinotruk Hong Kong Ltd.	119	220	
3 700	Sungrow Power Supply Co. Ltd.	68	51	
11 200	WEG S.A.	71	186	
7 200	Zhengzhou Yutong Bus Co. Ltd.	17	20	
		1 759	2 161	4.3
Information Technology				
13 000	Accton Technology Corp.	112	158	
150 000	Acer Inc.	178	208	
17 000	Asustek Computer Inc.	159	279	
4 500	BYD Electronic International Co. Ltd.	34	33	
83 000	Chicony Electronics Co. Ltd.	306	371	
5 700	China National Software & Service Co. Ltd.	85	59	
339 000	Compal Electronics	333	399	
4 000	Delta Electronics Inc.	54	51	
2 000	Globalwafers Co. Ltd.	28	66	
20 684	HCL Technologies Ltd.	302	349	
69 000	Hon Hai Precision Industry Co. Ltd.	235	377	
9 140	Hundsun Technologies Inc.	113	147	
848	Hynix Semiconductor Inc.	96	125	
46 632	Infosys Technologies Ltd. ADR	768	1 097	
30 000	Kingdee International Software Group Co. Ltd.	148	117	
15 000	Kingsoft Corp Ltd.	138	125	
7 300	Lakala Payment Co. Ltd.	44	42	
2 907	Larsen & Toubro Infotech Ltd.	194	203	
162 000	Lenovo Group Limited	151	290	
33 000	Lite-On Technology Corp.	64	91	
12 000	MediaTek Inc.	192	512	
49 000	Micro-Star International Co. Ltd.	161	376	
6 000	Novatek Microelectronics Corp.	72	152	
3 000	Phison Electronics Corp.	59	65	
45 000	Quanta Computer Inc.	140	194	
20 000	Realtek Semiconductor Corp.	186	435	
28 855	Samsung Electronics Co. Ltd.	1 484	2 608	
37	Samsung SDI Co. Ltd.	30	27	
5 000	Shanghai Baosight Software Co. Ltd.	60	56	
113 000	Taiwan Semiconductor Manufacturing Co. Ltd.	1 779	2 923	
17 842	Tata Consultancy Services Ltd.	542	975	
10 196	Tech Mahindra Ltd.	145	174	
1 000	TOTVS S.A.	8	6	
69 000	United Microelectronics Corporation Ltd.	124	153	
		8 524	13 243	26.4
Materials				
3 031	African Rainbow Minerals Ltd.	77	72	
486	Anglo American Platinum Corp.	36	89	
989	AngloGold Ashanti Ltd.	26	27	
1 800	Bradespar S.A. Preference	26	27	

Holdings	Security	Cost	Fair Value	% of Net Assets
Materials (cont.)				
52 000	China National Building Material Co. Ltd.	\$ 104	\$ 94	
150 000	China Resources Cement Holdings Ltd.	236	212	
7 500	Cia Siderurgica Nacional S.A.	41	63	
30 000	Conch Cement Co. Ltd.	165	245	
14 630	Gold Fields Limited	166	171	
9 100	Grupo Mexico S.A.B. de C.V.	40	60	
6 927	Impala Platinum Holdings Ltd.	89	161	
32 300	Inner Mongolia Junzheng Energy Chemical I	36	33	
35 900	Kingfa Sci & Tech Co. Ltd.	196	149	
3 186	Kumba Iron Ore Ltd.	123	165	
232	Kumho Petro Chemical Co. Ltd.	61	68	
14 000	Lee & Man Paper Manufacturing Ltd.	18	16	
214	LG Chem Ltd.	200	191	
35 200	Orbia Advance Corp S.A.B. de C.V.	59	118	
199	POSCO	61	71	
249	Shree Cement Ltd.	111	126	
288	SK Chemicals Co. Ltd.	119	80	
1 258	Southern Copper Corp.	92	107	
7 491	United Phosphorus Ltd.	69	83	
20 500	Vale S.A.	249	447	
4 394	Vedanta Ltd. ADR	22	69	
		2 422	2 944	5.9
Real Estate				
34 000	Agile Group Holdings Ltd.	56	70	
81 577	Barwa Real Estate Co.	96	91	
206 000	China Aoyuan Group Ltd.	277	278	
10 380	China Fortune Land Development Co. Ltd.	36	12	
31 500	China Overseas Land & Investment Ltd.	154	103	
120 000	China Overseas Property Holdings Ltd.	98	141	
314 000	Country Garden Holdings Co. Ltd.	554	507	
124 000	Greenland Holdings Corp. Ltd.	134	133	
35 678	Growthpoint Properties Ltd. Real Estate Investment Trust	42	40	
9 100	Jinke Properties Group Co. Ltd.	13	11	
52 500	KWVG Group Holdings Ltd.	69	113	
88 000	Logan Group Co. Ltd.	151	186	
100 000	Seazen Group Ltd.	128	154	
4 000	Sunac China Holdings Ltd.	21	22	
34 000	Youngor Group Co. Ltd.	49	53	
		1 878	1 914	3.8
Utilities				
74 400	Aboitiz Power Corp.	75	45	
13 956	CEZ A.S.	392	434	
60 900	Cia Energetica de Minas Gerais Preference	173	177	
58 000	Companhia Paranaense de Energia	82	92	
20 900	CPFL Energia S.A.	147	142	

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



March 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
Utilities (cont.)				
593 536	Enerjis Americas S.A.	\$ 122	\$ 125	
573 855	Enerjis Chile S.A.	69	56	
15 000	Equatorial Energia S.A.	75	83	
5 077	Interconexion Electrica S.A. E.S.P.	41	39	
8 490	Manila Electric Co.	69	60	
61 481	Power Grid Corp of India Ltd.	194	228	
3 662	Qatar Electricity & Water Co. Q.S.C.	21	21	
		<u>1 460</u>	<u>1 502</u>	3.0
TOTAL INTERNATIONAL EQUITIES		<u>42 115</u>	<u>48 889</u>	97.4
UNDERLYING FUNDS				
17 064	iShares MSCI Emerging Markets Index ETF	1 155	1 144	
TOTAL UNDERLYING FUNDS		<u>1 155</u>	<u>1 144</u>	2.3
Less: Transaction costs		<u>(56)</u>	<u>-</u>	<u>-</u>
TOTAL INVESTMENTS		<u>\$ 43 214</u>	<u>50 033</u>	99.7
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				
			<u>209</u>	0.3
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				
		<u>\$ 50 242</u>	<u>100.0</u>	



RBC QUANT EMERGING MARKETS DIVIDEND LEADERS ETF

Statements of Financial Position (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	March 31 2021	September 30 2020
ASSETS		
Investments at fair value	\$ 50 033	\$ 41 998
Cash	54	71
Due from investment dealers	1 113	–
Dividends receivable, interest accrued and other assets	192	91
TOTAL ASSETS	51 392	42 160
LIABILITIES		
Redemptions payable	1 116	–
Accounts payable and accrued expenses	34	26
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
	1 150	26
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")		
	\$ 50 242	\$ 42 134
Investments at cost	\$ 43 214	\$ 41 121
NAV		
CAD UNITS	\$ 45 776	\$ 36 389
USD UNITS	\$ 4 466	\$ 5 745
NAV PER UNIT		
CAD UNITS	\$ 22.33	\$ 19.15
USD UNITS*	\$ 17.77	\$ 14.34

* 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)	2021	2020
INCOME (see note 3 in the generic notes)		
Dividends	\$ 483	\$ 627
Income from investment trusts	19	21
Net realized gain (loss) on investments	1 213	(908)
Change in unrealized gain (loss) on investments	5 942	(2 712)
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES		
	7 657	(2 972)
Other income (loss)	(3)	(11)
Securities lending revenue		
(see note 8 in the generic notes)	1	1
Net gain (loss) on foreign cash balances	(32)	(15)
TOTAL OTHER INCOME (LOSS)	(34)	(25)
TOTAL INCOME (LOSS)	7 623	(2 997)
EXPENSES (see notes – ETF Specific Information)		
Management fees	147	160
Independent Review Committee costs	1	–
GST/HST	13	14
Transaction costs	59	51
Withholding tax	114	124
TOTAL EXPENSES	334	349
INCREASE (DECREASE) IN NAV	\$ 7 289	\$ (3 346)
INCREASE (DECREASE) IN NAV		
CAD UNITS	\$ 6 480	\$ (3 097)
USD UNITS	\$ 809	\$ (249)
INCREASE (DECREASE) IN NAV PER UNIT		
CAD UNITS	\$ 3.37	\$ (1.39)
USD UNITS*	\$ 2.85	\$ (0.69)

* Stated in U.S. dollars



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

For the periods ended March 31
(see note 2 in the generic notes)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ 7 289	\$ (3 346)
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	–	–
Net unrealized foreign exchange (gain) loss		
on cash	–	(1)
Net realized loss (gain) on investments	(1 213)	908
Change in unrealized loss (gain) on investments	(5 942)	2 712
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
(Increase) decrease in accrued receivables	(101)	(35)
Increase (decrease) in accrued payables	8	(7)
Cost of investments purchased*	(20 939)	(14 021)
Proceeds from sale and maturity of investments*	21 519	15 059
NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES	621	1 269
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	41	48
Cash paid on redemption of redeemable units*	(38)	(161)
Distributions paid to holders of redeemable units	(641)	(1 126)
NET CASH PROVIDED BY (USED IN)		
FINANCING ACTIVITIES	\$ (638)	\$ (1 239)
Net unrealized foreign exchange gain (loss)		
on cash	–	1
Net increase (decrease) in cash for the period	(17)	30
Cash (bank overdraft), beginning of period	71	42
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 54	\$ 73
Interest received (paid) [†]	\$ –	\$ –
Income from investment trusts received (paid) ^{††}	\$ 19	\$ 21
Dividends received (paid) ^{††}	\$ 268	\$ 468

* Excludes in-kind transactions.

[†] Classified as part of operating activities.

[‡] Net of withholding taxes, if applicable.



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

For the periods ended March 31 (see note 2 in the generic notes)	CAD Units		USD Units		Total	
	2021	2020	2021	2020	2021	2020
NAV AT BEGINNING OF PERIOD	\$ 36 389	\$ 44 788	\$ 5 745	\$ 4 869	\$ 42 134	\$ 49 657
INCREASE (DECREASE) IN NAV	6 480	(3 097)	809	(249)	7 289	(3 346)
Early redemption fees	–	–	–	–	–	–
Proceeds from redeemable units issued	5 583	2 631	–	1 797	5 583	4 428
Reinvestments of distributions to holders of redeemable units	–	–	–	–	–	–
Redemption of redeemable units	(2 098)	(5 837)	(2 025)	(1 064)	(4 123)	(6 901)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	3 485	(3 206)	(2 025)	733	1 460	(2 473)
Distributions from net income	(578)	(1 003)	(63)	(123)	(641)	(1 126)
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(578)	(1 003)	(63)	(123)	(641)	(1 126)
NET INCREASE (DECREASE) IN NAV	9 387	(7 306)	(1 279)	361	8 108	(6 945)
NAV AT END OF PERIOD	\$ 45 776	\$ 37 482	\$ 4 466	\$ 5 230	\$ 50 242	\$ 42 712



March 31, 2021

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 emerging market 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 March 31, 2021 of CAD Units was 22.45 (September 30, 2020 – 19.26) and of USD Units was 17.32 USD (September 30, 2020 – 14.45 USD).

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	March 31 2021	September 30 2020
International Equities		
Information Technology	26.4	22.6
Communication Services	17.8	21.0
Financials	16.1	16.3
Consumer Staples	7.3	8.5
Materials	5.9	6.7
Consumer Discretionary	5.2	4.6
Industrials	4.3	6.8
Health Care	4.1	2.0
Real Estate	3.8	4.1
Energy	3.5	5.2
Utilities	3.0	1.9
Underlying Funds	2.3	–
Other Net Assets	0.3	0.3
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	March 31 2021	September 30 2020
Hong Kong dollar	24.4	27.8
South Korean won	15.7	12.7
New Taiwan dollar	14.2	14.4
Indian rupee	8.4	7.9
United States dollar	7.3	4.5
Chinese renminbi	6.4	8.1
Brazilian real	5.8	5.6
South African rand	5.3	5.1
Thailand baht	1.9	2.4
UAE dirham	1.4	2.0
Qatari riyal	1.3	1.8

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

Currency	March 31 2021	September 30 2020
Mexican peso	1.2	1.1
Malaysian ringgit	1.1	1.8
Indonesian rupiah	1.0	1.2
Chilean peso	1.0	1.0
Czech koruna	0.9	0.4
Philippine peso	0.8	1.0
Polish zloty	0.6	0.5
Other currencies	1.1	0.5
Total	99.8	99.8

As at March 31, 2021, 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, 2020 – 5.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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% 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:

	March 31 2021	September 30 2020
MSCI Emerging Markets Total Return		
Net Index (CAD)	+ or - 8.9	+ or - 8.8

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 March 31, 2021 and September 30, 2020.

March 31, 2021	Level 1	Level 2	Level 3	Total
Equities	48 889	–	–	48 889
Underlying funds	1 144	–	–	1 144
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	50 033	–	–	50 033
% of total portfolio	100.0	–	–	100.0



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September 30, 2020	Level 1	Level 2	Level 3	Total
Equities	41 998	–	–	41 998
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	41 998	–	–	41 998
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2021 and September 30, 2020, 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	0.64%
USD Units	0.64%

Unconsolidated structured entities (%)

(see note 3 in the generic notes)

The table below summarizes the ETF's interest in the unsponsored funds as a percentage of NAV, and the ETF's ownership interest as a percentage of NAV of the unsponsored funds ("Ownership").

	March 31 2021		September 30 2020	
	NAV	Ownership	NAV	Ownership
iShares MSCI Emerging Markets Index ETF	2.3	–	–	–

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

The non-capital and capital losses carried forward for the ETF as at the tax-year ended December 2020 were:

Capital losses	1 684
Non-capital losses	–

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)

	2021	2020
CAD Units		
Opening units	1 900	2 300
Issued number of units	250	150
Reinvested number of units	–	–
Redeemed number of units	(100)	(300)
Ending number of units	2 050	2 150

USD Units

Opening units	300	250
Issued number of units	–	100
Reinvested number of units	–	–
Redeemed number of units	(100)	(50)
Ending number of units	200	300

Transaction costs (\$000s except %)

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

	March 31 2021		March 31 2020	
	\$	%	\$	%
Total transaction costs	59	100	51	100
Related-party brokerage commissions*	–	–	–	–
Commission arrangements [†]	–	–	–	–

* 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:

	March 31 2021	March 31 2020
Fair value of securities loaned	2 714	2 873
Fair value of collateral received	2 768	2 931



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 2021		March 31 2020	
	\$	%	\$	%
Gross revenue	1	100	1	100
RBC IS (paid)	–	(25)	–	(25)
Tax withheld	–	(8)	–	(2)
ETF revenue	1	67	1	73

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 2021	September 30 2020
RBC Strategic Global Dividend Leaders ETF	–	2.8

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1. The ETFs

The RBC ETFs, the exchange-traded funds (“ETF” or “ETFs”), are open-ended mutual fund trusts governed by the laws of the Province of Ontario and governed by a Master Declaration of Trust. RBC GAM is the manager, trustee and portfolio manager of the ETFs and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on May 10, 2021.

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 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 Target 2026 Corporate Bond Index ETF	RQO	FTSE Canada 2026 Maturity Corporate Bond Index
RBC Target 2027 Corporate Bond Index ETF	RQP	FTSE Canada 2027 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

ETF	Exchange Ticker Symbol	Index*
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
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

* 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.

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2. Financial period

In 2020, the financial year-end of the ETFs was changed from December 31 to September 30. In accordance with regulatory requirements, notice of the change was filed with the authorities concerned.

The information provided in these financial statements and notes thereto is as at March 31, 2021 and September 30, 2020, as applicable, and for the nine-month period ended September 30, 2020 and the six-month periods ended March 31, 2021 and March 31, 2020, 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.

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 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.

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 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 or they may sell units at full market price on the applicable exchange. 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,

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- (ii) The ETFs commit to their investors that their business purpose is to invest funds solely for the returns from capital appreciation, investment income or both, and
- (iii) The ETFs measure and evaluate the performance of substantially all of their investments on a fair value basis.

Therefore, the fair value of investments in the underlying funds is included in the Schedule of Investment Portfolio and included in “Investments at fair value” in the ETFs’ Statements of Financial Position. The change in fair value of the investment held in the underlying funds is included in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income.

Certain ETFs may invest in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The ETFs account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), including broker quotes, vendor prices and vendor fair value factors; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

Investments and derivatives are recorded at fair value, which is determined as follows:

Equities – Common shares and preferred shares are valued at the closing price recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Fixed-Income and Debt Securities – Bonds, 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.

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” 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

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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.

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

Functional Currency The ETFs have their subscriptions, redemptions and performance primarily 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.

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

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	NOK – Norwegian krone
DKK – Danish krone	SEK – Swedish krona
EUR – Euro	SGD – Singapore dollar
GBP – Pound sterling	USD – United States dollar

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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.

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 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 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.

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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 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.

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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 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:

RBC Short Term U.S. Corporate Bond ETF

BlueBay Asset Management LLP is the sub-advisor for:

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 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.