



FIXED-INCOME FUND

**RBC VISION FOSSIL FUEL FREE
BOND FUND**

December 31, 2023

Portfolio Manager *RBC Global Asset Management Inc. ("RBC GAM")*

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 7, 2024.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/regulatorydocuments or SEDAR+ at www.sedarplus.ca. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide current income and stability of capital by investing primarily in a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations, but excludes securities of issuers directly engaged in the extraction, processing and transportation of fossil fuels such as coal, oil and natural gas.

The Fund's investment process begins by excluding issuers identified in two exclusion lists that determine its investable universe. The Fund applies the two exclusion lists concurrently. The Fund may from time to time depart from its exclusion lists when RBC GAM has determined that it would be in the best interest of the Fund to do so.

The first exclusion list is based on the Carbon Underground 200, which identifies the top 100 public coal companies globally and the top 100 public oil and gas companies globally, ranked by the potential carbon emissions content of their reported reserves. The Carbon Underground 200 list is maintained by Fossil Free Indexes LLC, and is revised quarterly.

RBC GAM has partnered with Sustainalytics to identify issuers for the second exclusion list, which excludes companies that directly, or indirectly through a significant stake in a subsidiary, derive any revenues from or are involved in the (i) exploration and extraction of Arctic oil and gas, (ii) exploration, production, refining, transportation and/or storage of oil and natural gas, (iii) extraction of oil sands, shale energy and/or thermal coal, and/or (iv) provision of storage, transportation, mining and refining services of thermal coal. The Fund also excludes companies that directly, or indirectly through a significant stake in a subsidiary, derive 10% or more of their revenues from the provision of tailor-made products and services that support oil and gas exploration, production, refining, transportation and/or storage, or from power generated by thermal coal, as determined by Sustainalytics.

On a monthly basis, Sustainalytics provides RBC GAM with a list of ineligible issuers based on the Fund's exclusion criteria. Sustainalytics periodically monitors the Fund's holdings against the exclusion criteria.

RBC GAM then applies its multi-disciplined investment process to select securities for the Fund. This includes the incorporation of material environmental, social and governance ("ESG") factors to consider issuers' oversight and management of these material ESG factors.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value rose to \$225 million as of December 31, 2023, from \$179 million at the end of 2022. The increase was due to a combination of net inflows and investment returns.

Over the past year, the Fund's Series F units gained 6.3%, which underperformed the 6.7% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Canadian government bonds posted gains during 2023 as yields declined across all terms, lifting bond prices. The Bank of Canada (the "BOC") continued with interest-rate increases in the first half of 2023 in an attempt to rein in persistently high inflation, raising its short-term overnight rate three times to 5.00% by July. Inflation declined significantly during the first half of the year and economic data began to show weakness in the fourth quarter. As a result, the BOC was able to pause rate increases and indicated it would hold the policy rate steady while assessing whether additional increases would be needed. Longer-term bond yields dropped in response, which drove positive returns for the year.

The Fund's sensitivity to interest rates was managed actively throughout the year amid a volatile period for bond yields, and this approach had a neutral impact on relative performance. The portfolio manager's continued preference for more liquid, high-quality corporate and provincial bonds contributed to the Fund's performance as these bonds outperformed.

Portfolio turnover is normally high for the Fund, as the portfolio manager attempts to generate better returns through active security selection and optimal term exposure.

During 2023, one issuer was deemed ineligible by Sustainalytics and subsequently removed from the Fund for failing to meet the Fund's ESG exclusion criteria. In this instance, Brookfield Property Finance ULC was divested from the Fund because Sustainalytics' most recent research assessment identified fossil fuel related revenues above the ESG exclusion criteria revenue thresholds. Specifically, Sustainalytics determined the issuer derived revenues from the exploration, production, refining, transportation and/or storage of oil and natural



gas. No other material investment decision was made based on the ESG exclusion criteria during 2023. In the opinion of Sustainalytics and RBC GAM, all other holdings in the Fund were eligible at the time of review.

Recent Developments

The dominant theme for bonds was centred around “higher-for-longer” yields for much of 2023. However, this narrative shifted in the fourth quarter following a perceived pivot from central banks. These expectations now firmly tilt in favour of policy-rate decreases by the BOC in 2024.

In light of the softening economic backdrop, the portfolio manager remains cautious as the risk of a recession remains high. The portfolio manager therefore continues to favour higher-quality, more-liquid assets that position the Fund to withstand any market weakness and stands ready to take advantage of attractive opportunities as they arise.

Effective January 1, 2023, Suromitra Sanatani was appointed as Chair of the Independent Review Committee (“the IRC”). Effective February 1, 2023, Joanne Vézina was appointed as a member of the IRC. Effective March 1, 2023, Enrique Cuyegkeng was appointed as a member of the IRC.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, holds title to the Fund’s property on behalf of its unitholders, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund. Both the management fee and fixed administration fee are calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. RBC GAM, as trustee, earns a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, 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 series of funds denominated in different currencies. The Fund also maintains 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 Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or may distribute certain series of units of, the Fund. Dealers may receive an ongoing commission based on the total value of their clients’ investment in certain series of units of the Fund.

Registrars

RBC GAM, RBC Investor Services Trust (“RBC IS”) or Royal Bank (or a combination thereof) are the registrars of the Fund and keep records of who owns units of the Fund. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

Custodian

RBC IS is the custodian and holds the assets of the Fund. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Fund.

Securities Lending Agent

To the extent the Fund may engage in securities lending transactions, RBC IS may act as the Fund’s securities lending agent. Any revenue earned on such securities lending is split between the Fund and the securities lending agent.

Other Related-Party Transactions

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

Inter-Fund Trading

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.



The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Dec. 31, 2023	8.41	0.32	(0.09)	(0.13)	0.39	0.49	(0.23)	–	–	–	(0.23)	8.66
Dec. 31, 2022	9.71	0.31	(0.09)	(0.40)	(0.90)	(1.08)	(0.13)	–	–	–	(0.13)	8.41
Dec. 31, 2021 ³	10.00 [†]	0.20	(0.10)	(0.05)	0.14	0.19	(0.06)	–	–	–	(0.06)	9.71
Series D												
Dec. 31, 2023	8.40	0.32	(0.05)	(0.13)	0.36	0.50	(0.27)	–	–	–	(0.27)	8.65
Dec. 31, 2022	9.70	0.30	(0.05)	(0.39)	(0.69)	(0.83)	(0.17)	–	–	–	(0.17)	8.40
Dec. 31, 2021 ³	10.00 [†]	0.14	(0.06)	(0.03)	0.58	0.63	(0.11)	–	–	–	(0.11)	9.70
Series F												
Dec. 31, 2023	8.40	0.32	(0.04)	(0.13)	0.39	0.54	(0.27)	–	–	–	(0.27)	8.65
Dec. 31, 2022	9.70	0.31	(0.04)	(0.40)	(0.90)	(1.03)	(0.18)	–	–	–	(0.18)	8.40
Dec. 31, 2021 ³	10.00 [†]	0.18	(0.05)	(0.04)	0.26	0.35	(0.12)	–	–	–	(0.12)	9.70
Series O												
Dec. 31, 2023	8.41	0.32	–	(0.13)	0.36	0.55	(0.31)	–	–	–	(0.31)	8.66
Dec. 31, 2022	9.70	0.26	–	(0.34)	(0.99)	(1.07)	(0.22)	–	–	–	(0.22)	8.41
Dec. 31, 2021 ³	10.00 [†]	0.22	–	(0.05)	(0.04)	0.13	(0.16)	–	–	–	(0.16)	9.70

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 14, 2021.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Dec. 31, 2023	8.66	7 707	889	1.05	1.05	163.50	—
Dec. 31, 2022	8.41	5 672	674	1.04	1.04	160.87	—
Dec. 31, 2021 ⁴	9.71	4 955	510	1.06	1.06	174.77	—
Series D							
Dec. 31, 2023	8.65	4 485	518	0.59	0.59	163.50	—
Dec. 31, 2022	8.40	2 936	349	0.58	0.58	160.87	—
Dec. 31, 2021 ⁴	9.70	1 790	185	0.58	0.58	174.77	—
Series F							
Dec. 31, 2023	8.65	6 083	703	0.50	0.50	163.50	—
Dec. 31, 2022	8.40	4 282	510	0.49	0.49	160.87	—
Dec. 31, 2021 ⁴	9.70	3 341	345	0.51	0.51	174.77	—
Series O							
Dec. 31, 2023	8.66	206 907	23 894	0.02	0.02	163.50	—
Dec. 31, 2022	8.41	166 177	19 763	0.02	0.02	160.87	—
Dec. 31, 2021 ⁴	9.70	32 613	3 362	0.02	0.02	174.77	—

¹ The management expense ratio ("MER") is based on the direct expenses charged to the Fund and the Fund's proportionate share of the expenses of underlying funds, if any, for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover rate is not applicable to money market funds.

³ The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and the Fund's proportionate share of such costs of underlying funds expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 14, 2021.

Management Fees and Administration Fees

Management fees and administration fees of each series of the Fund are payable to RBC GAM and calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The management fee, breakdown of services received in consideration of the management fee, as a percentage of the management fee, and the administration fee for each series are as follows:

	Management Fees	Breakdown of Services		Administration Fees
		Distribution	Other*	
Series A	0.90%	56%	44%	0.05%
Series D	0.50%	30%	70%	0.05%
Series F	0.40%	—	100%	0.05%
Series O	n/a	n/a	n/a	0.02%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, investment advisory services, general administration and profit.



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on December 31, 2023, compared with the following benchmark:

FTSE Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	5.8	—	—	—	-3.2
Benchmark	6.7	—	—	—	-2.5
Series D	6.2	—	—	—	-2.7
Benchmark	6.7	—	—	—	-2.5
Series F	6.3	—	—	—	-2.7
Benchmark	6.7	—	—	—	-2.5
Series O	6.8	—	—	—	-2.2
Benchmark	6.7	—	—	—	-2.5

The returns of each series may vary because of differences in management fees and expenses. Benchmark and/or broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to benchmark and/or broad-based indexes.

Series A, Series D, Series F and Series O units have been available for sale to unitholders since January 22, 2021.

Inception dates are not provided for series that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

FTSE Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2023

Investment Mix

	% of Net Asset Value
Corporate Bonds	33.2
Federal Bonds	32.2
Provincial/Municipal Bonds	31.4
Cash/Other	3.2

Top 25 Holdings

	% of Net Asset Value
Canadian Government Bond 3.250% Sep 01, 2028	13.7
Province of Quebec 3.600% Sep 01, 2033	9.9
Canadian Government Bond 4.500% Feb 01, 2026	8.9
Province of Ontario 3.500% Jun 02, 2043	5.4
Canada Housing Trust No. 1 4.250% Mar 15, 2034	3.3
Cash & Cash Equivalents	2.2
Province of Quebec 4.400% Dec 01, 2055	2.2
Province of Ontario 3.750% Dec 02, 2053	2.1
Province of Alberta 3.100% Jun 01, 2050	1.6
Canadian Government Bond 3.250% Dec 01, 2033	1.6
Province of Ontario 3.650% Jun 02, 2033	1.5
Ontario Power Generation Inc. 3.215% Apr 08, 2030	1.4
Province of Ontario 4.600% Jun 02, 2039	1.3
Ontario Power Generation Inc. 3.315% Oct 04, 2027	1.1
Canadian Government Bond 1.750% Dec 01, 2053	1.1
Cameco Corp. 4.190% Jun 24, 2024	1.1
Bell Telephone Co. of Canada or Bell Canada 3.600% Sep 29, 2027	1.1
InPower BC General Partnership 4.471% Mar 31, 2033	1.0
Bruce Power LP 4.132% Jun 21, 2033	0.9
United States Treasury Note 4.125% Aug 15, 2053	0.9
Brookfield Renewable Partners ULC 4.250% Jan 15, 2029	0.9
AT&T Inc. 2.850% May 25, 2024	0.9
Bruce Power LP 3.969% Jun 23, 2026	0.9
Verizon Communications Inc. 2.375% Mar 22, 2028	0.9
Northwestern Hydro Acquisition Co. II LP 3.877% Dec 31, 2036	0.9
Top 25 Holdings	66.8

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/regulatorydocuments.