



FIXED-INCOME FUND

**BLUEBAY \$U.S. GLOBAL HIGH YIELD
BOND FUND (CANADA)**

December 31, 2023

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for a portion of the Fund)

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota
(for a portion of the Fund)

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 (in USD)

Investment Objective and Strategies

The Fund seeks to provide total returns comprised of interest income and modest capital appreciation. To achieve this objective, the Fund invests primarily in high-yield debt securities, such as corporate bonds and loans, rated below investment grade (BB(+)) or below by Standard & Poor's or an equivalent rating agency) issued by entities domiciled or carrying out the majority of their business activities anywhere around the world.

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 \$305 million as of December 31, 2023, from \$267 million at the end of 2022. The increase was due to investment returns.

Over the past year, the Fund's Series F units gained 12.4%, which underperformed the 13.0% 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.

The Fund was positioned to benefit from expectations that U.S. interest rates would fall more slowly than rates in the eurozone, and this positioning had a negative impact on relative returns during the year-end rally, when rates fell less in the eurozone than they did in the U.S.

The Fund's performance in 2023 was aided by corporate-bond selection, especially in the energy, banking and automotive industries. Jaguar Land Rover, an automaker, was a significant outperformer in the Fund, benefiting from easing supply-chain bottlenecks and lower-than-anticipated gasoline prices. Among banks, Monte dei Paschi rallied during the year, driven by a recognition that the Italian issuer's balance sheet had strengthened. The Fund's largest underperformers by far were positions in the Chinese real estate issuer Country Garden and the financial-services issuer Credit Suisse.

The Fund benefited significantly from security selection among B and BB rated bonds. However, lower-rated debt outperformed during the period as these types of bonds benefited the most from

a more resilient than expected macroeconomic environment. As a result, the Fund's underweight exposure to the lowest-rated debt (CCC and below) had a negative impact on relative returns. Likewise, the Fund held a greater proportion of positions among higher-rated BB bonds, which also limited relative returns. From a regional perspective, returns were bolstered by specific holdings of North American issuers.

Recent Developments

The global economy has so far proven more resilient to widespread monetary tightening than anticipated. Recent developments on the macroeconomic front are supportive for consumer demand, and investors are pricing in significant interest-rate cuts next year. Valuations reflect the generally strong financial position of issuers and a shrinking pool of high-yield assets, as new issuance drops and many high-yield issues get upgraded.

The sub-advisor is largely avoiding bonds of companies that are acutely exposed to a slowdown in economic growth, as well as companies that are less able to raise prices in the face of rising costs. Yields remain above long-term averages and enticing by historical standards.

Effective April 1, 2023, the activities of RBC Global Asset Management (UK) Limited and BlueBay Asset Management LLP were consolidated into RBC Global Asset Management (UK) Limited.

Effective January 1, 2023, the administration fees for Series O units were reduced to 0.05% from 0.10%.

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.

Sub-Advisors

RBC Global Asset Management (UK) Limited and RBC Global Asset Management (U.S.) Inc. are the sub-advisors and provide investment advice for the Fund. The sub-advisors earn a fee which is calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. The sub-advisors are paid by the manager from the management fee paid by the Fund.

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 (in USD)

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	7.27	0.84	(0.12)	(0.35)	0.74	1.11	(0.38)	–	–	–	(0.38)	7.71
Dec. 31, 2022	8.56	0.48	(0.11)	(0.26)	(1.05)	(0.94)	(0.34)	–	–	–	(0.34)	7.27
Dec. 31, 2021	9.12	0.51	(0.16)	0.52	(0.89)	(0.02)	(0.40)	–	(0.14)	–	(0.54)	8.56
Dec. 31, 2020	8.88	1.55	(0.05)	4.01	(4.05)	1.46	(0.40)	–	(0.82)	–	(1.22)	9.12
Dec. 31, 2019	8.00	0.51	(0.06)	0.10	0.84	1.39	(0.43)	–	(0.17)	–	(0.60)	8.88
Series D												
Dec. 31, 2023	7.93	–	(0.06)	–	1.04	0.98	(0.47)	–	–	–	(0.47)	8.43
Dec. 31, 2022	9.34	0.73	(0.10)	(0.40)	(2.63)	(2.40)	(0.41)	–	–	–	(0.41)	7.93
Dec. 31, 2021 ³	10.00 [†]	0.52	(0.11)	0.53	(1.23)	(0.29)	(0.53)	–	(0.15)	–	(0.68)	9.34
Series F												
Dec. 31, 2023	7.91	0.54	(0.08)	(0.23)	2.02	2.25	(0.48)	–	–	–	(0.48)	8.38
Dec. 31, 2022	9.33	0.49	(0.07)	(0.27)	(3.18)	(3.03)	(0.42)	–	–	–	(0.42)	7.91
Dec. 31, 2021 ³	10.00 [†]	0.50	(0.08)	0.51	(1.06)	(0.13)	(0.55)	–	(0.16)	–	(0.71)	9.33
Series O												
Dec. 31, 2023	6.89	0.48	–	(0.20)	0.62	0.90	(0.48)	–	–	–	(0.48)	7.30
Dec. 31, 2022	8.13	0.44	(0.01)	(0.24)	(0.91)	(0.72)	(0.43)	–	–	–	(0.43)	6.89
Dec. 31, 2021	8.83	0.48	(0.01)	0.49	(0.87)	0.09	(0.56)	–	(0.26)	–	(0.82)	8.13
Dec. 31, 2020	8.61	0.49	(0.01)	1.28	1.14	2.90	(0.43)	–	(0.80)	–	(1.23)	8.83
Dec. 31, 2019	8.03	0.50	(0.02)	0.10	0.54	1.12	(0.48)	–	(0.16)	–	(0.64)	8.61

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 22, 2021.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (in USD) (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	7.71	33	4	1.68	1.68	62.76	—
Dec. 31, 2022	7.27	1	—	1.68	1.68	113.45	—
Dec. 31, 2021	8.56	1	—	1.81	1.81	93.46	—
Dec. 31, 2020	9.12	1	—	0.63	0.63	206.72	—
Dec. 31, 2019	8.88	1	—	0.69	0.69	124.50	—
Series D							
Dec. 31, 2023	8.43	1	—	1.05	1.05	62.76	—
Dec. 31, 2022	7.93	1	—	1.07	1.07	113.45	—
Dec. 31, 2021 ⁴	9.34	68	7	1.15	1.15	93.46	—
Series F							
Dec. 31, 2023	8.38	1 634	195	0.92	0.92	62.76	—
Dec. 31, 2022	7.91	42	5	0.90	0.90	113.45	—
Dec. 31, 2021 ⁴	9.33	1	—	0.89	0.89	93.46	—
Series O							
Dec. 31, 2023	7.30	303 607	41 590	0.06	0.06	62.76	—
Dec. 31, 2022	6.89	266 612	38 707	0.11	0.11	113.45	—
Dec. 31, 2021	8.13	187 580	23 069	0.11	0.11	93.46	—
Dec. 31, 2020	8.83	330 361	37 436	0.11	0.11	206.72	—
Dec. 31, 2019	8.61	28 271	3 285	0.18	0.18	124.50	—

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 Fund's 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 22, 2021.

Effective January 1, 2023, the administration fees for Series O units were reduced to 0.05% from 0.10%. If the changes to the administration fees would have been in effect throughout the financial year ended December 31, 2022, the adjusted MER for each series of the Fund would be: Series O – 0.06%.

Effective January 25, 2021, the management fees for Series A units were increased to 1.50% from 0.50%. If the changes to the management fees would have been in effect throughout the financial year ended December 31, 2021, the adjusted MER for each series of the Fund would be: Series A – 1.81%.

Effective March 1, 2020, the administration fees for Series A and Series O units were reduced to 0.10% from 0.16%. If the changes to the administration fees would have been in effect throughout the financial year ended December 31, 2020, the adjusted MER for each series of the Fund would be: Series A – 0.63% and Series O – 0.11%.

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	1.50%	50%	50%	0.10%
Series D	0.90%	17%	83%	0.10%
Series F	0.75%	—	100%	0.10%
Series O	n/a	n/a	n/a	0.05%

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.

[†] Effective January 1, 2023, the administration fees for Series O units were reduced to 0.05% from 0.10%.



PAST PERFORMANCE (in USD)

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:

ICE BofA Global High Yield Constrained Index (hedged to USD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	11.8	—	—	—	-0.4
Benchmark	13.0	—	—	—	1.0
Series D	12.6	—	—	—	0.2
Benchmark	13.0	—	—	—	1.0
Series F	12.4	—	—	—	0.3
Benchmark	13.0	—	—	—	1.0
Series 0	13.4	—	—	—	1.1
Benchmark	13.0	—	—	—	1.0

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 D and Series F units have been available for sale to unitholders since January 22, 2021. Although Series A and Series 0 units of the Fund were created in November 2012, units were not offered for sale under a simplified prospectus until January 22, 2021.

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

INDEX DESCRIPTIONS

ICE BofA Global High Yield Constrained Index (hedged to USD) This index tracks the performance of below-investment-grade bonds issued by companies located in countries that had an investment-grade rating at the time of issue. The index includes bonds denominated in U.S. dollars, Canadian dollars, sterling and euros, and no single issuer can account for more than 2% of the index. The index is hedged to U.S. dollars.



SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at December 31, 2023

Investment Mix

	% of Net Asset Value
United States	49.4
France	5.2
United Kingdom	4.5
Italy	4.3
Germany	4.0
Netherlands	3.9
Canada	2.9
Brazil	2.7
Spain	2.3
Mexico	1.7
Other Countries	13.0
Cash/Other	6.1

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	4.9
CCO Holdings LLC / CCO Holdings Capital Corp. 6.375% Sep 01, 2029	1.2
Banca Monte dei Paschi di Siena S.p.A. 7.708% Jan 18, 2028	1.1
Wintershall Dea Finance 2 BV 3.000% Perpetual	1.0
LCPR Senior Secured Financing DAC 6.750% Oct 15, 2027	1.0
Iliad Holding SASU 6.500% Oct 15, 2026	0.9
Ferrellgas LP / Ferrellgas Finance Corp. 5.375% Apr 01, 2026	0.9
Highlands Holdings Bond Issuer Ltd. / Highlands Holdings Bond Co-Issuer Inc. 7.625% Oct 15, 2025	0.9
Cheplapharm Arzneimittel GmbH 5.500% Jan 15, 2028	0.9
GEMS MENASA Cayman Ltd. / GEMS Education Delaware LLC 7.125% Jul 31, 2026	0.9
NOVA Chemicals Corp. 4.250% May 15, 2029	0.9
CITGO Petroleum Corp. 8.375% Jan 15, 2029	0.9
Domtar Corp. 6.750% Oct 01, 2028	0.9
Wynn Resorts Finance LLC / Wynn Resorts Capital Corp. 7.125% Feb 15, 2031	0.8
ITT Holdings LLC 6.500% Aug 01, 2029	0.8
CQP Holdco LP / BIP-V Chinook Holdco LLC 5.500% Jun 15, 2031	0.8
Mercury Chile Holdco LLC 6.500% Jan 24, 2027	0.8
Global Aircraft Leasing Co. Ltd. 6.500% Sep 15, 2024	0.8
Banco de Sabadell S.A. 9.375% Perpetual	0.8
Smyrna Ready Mix Concrete LLC 6.000% Nov 01, 2028	0.8
Telecom Italia S.p.A. 6.875% Feb 15, 2028	0.8
Intelligent Packaging Ltd. Finco Inc. / Intelligent Packaging Ltd. Co-Issuer LLC 6.000% Sep 15, 2028	0.7
NRG Energy Inc. 10.250% Perpetual	0.7
Paramount Global 6.375% Mar 30, 2062	0.7
Altice Financing S.A. 5.750% Aug 15, 2029	0.7
Top 25 Holdings	25.6

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.