



FIXED-INCOME FUND

RBC HIGH YIELD BOND FUND

December 31, 2022

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 9, 2023.

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.sedar.com. 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 a high level of income with the potential for modest capital growth by investing primarily in higher-yielding corporate debt securities issued by Canadian and U.S. corporations.

To achieve its objectives, the portfolio manager invests primarily in debt securities rated from BBB to B by Standard & Poor's or an equivalent credit-rating company. The portfolio manager employs a value-focused philosophy, striving to invest in quality companies having stable to improving credit profiles, and which are considered undervalued.

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 fell to \$2.3 billion as of December 31, 2022, from \$3.4 billion at the end of 2021. The decrease was due to a combination of net redemptions and investment losses.

Over the past year, the Fund's Series F units lost 10.8%, which outperformed the 11.7% decline 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.

High-yield bonds in North America had their worst year since 2008, due primarily to sharply rising government-bond yields in Canada and the U.S. Interest rates, which move in the opposite direction of prices, surged in response to the highest inflation in 40 years, as central banks aggressively hiked short-term rates and tightened financial conditions in an attempt to forestall a price spiral and restore inflation to their 2% target. Complicating factors included continuing supply-chain disruptions, the war in Ukraine and strict COVID-related lockdowns in China. These concerns helped push credit spreads, a measure of the premium investors require to own corporate bonds, to their highest levels of the year by mid-summer, resulting in the worst first-half performance on record for the high-yield bond market.

Later in the year, signs emerged that inflation had peaked, as most indicators began to flatten or decline, encouraging hopes that the U.S. Federal Reserve and the Bank of Canada would halt or slow

the pace of rate increases. As perceived risks fell, credit premiums declined. Low corporate defaults, more attractive valuations and limited new-issue supply also aided bond prices in the second half of the year.

As concerns grew that efforts to rein in inflation would result in substantially slower economic growth, the Fund increased holdings of investment-grade corporate bonds, mostly in Canada. The Fund's returns were held back by holdings in longer-maturity bonds that were more negatively affected by rising Treasury-bond yields, as well as by holdings in retail, health care and cable. Aiding performance were corporate bonds that were less exposed to the overall rise in interest rates, holdings in the Energy sector and an allocation to cash in a falling market.

Recent Developments

High-yield bonds will likely continue to face an environment characterized by tighter financial conditions, slower growth and higher inflation, all of which tend to hurt profitability and increase the risk of recession. In the view of the portfolio manager, the premium yield offered by high-yield bonds may not be enough to compensate investors given these risks. Balancing this difficult environment is the fact that there has been little new bond supply as well as that high-yield defaults remain low, and that the highest-rated high-yield bonds make up a historically large portion of the market. Attractive investment opportunities have appeared in specific areas, including the investment-grade market, and the portfolio manager is taking advantage of them.

Effective September 20, 2022, Brenda Eaton was appointed as Vice Chair of the Independent Review Committee (the "IRC") following the death of Paul K. Bates, who had served as a dedicated member of the IRC since December 2014. Effective December 31, 2022, Charles F. Macfarlane stepped down as a member of the IRC, and effective January 1, 2023, Suromitra Sanatani was appointed as Chair of the IRC.

Effective April 11, 2022, all Advisor Series units with a deferred sales charge option were re-designated as Series A units. Any redemption fees associated with such re-designations were waived by RBC GAM.

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.

Brokers and Dealers

The Fund has established standard brokerage and dealing agreements at market rates with related parties. For the periods ended December 31, 2022 and 2021, the related-party commissions were \$35,000 (2021 – \$4,000) or 34% (2021 – 4%) of the total transaction costs paid for this Fund.

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 and debt securities from or sales of equity or debt securities 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, 2022	10.64	0.49	(0.14)	(1.17)	(0.42)	(1.24)	(0.36)	–	–	–	(0.36)	9.07
Dec. 31, 2021	10.88	0.50	(0.16)	0.28	(0.34)	0.28	(0.35)	–	(0.18)	–	(0.53)	10.64
Dec. 31, 2020	10.73	0.50	(0.15)	0.24	(0.01)	0.58	(0.33)	–	–	–	(0.33)	10.88
Dec. 31, 2019	9.96	0.53	(0.15)	0.07	0.72	1.17	(0.37)	–	–	–	(0.37)	10.73
Dec. 31, 2018	10.82	0.56	(0.15)	(0.28)	(0.56)	(0.43)	(0.41)	–	–	–	(0.41)	9.96
Series D												
Dec. 31, 2022	10.73	0.49	(0.10)	(1.18)	(0.49)	(1.28)	(0.40)	–	–	–	(0.40)	9.15
Dec. 31, 2021	10.97	0.50	(0.11)	0.28	(0.33)	0.34	(0.40)	–	(0.18)	–	(0.58)	10.73
Dec. 31, 2020	10.82	0.52	(0.11)	0.25	(0.23)	0.43	(0.38)	–	–	–	(0.38)	10.97
Dec. 31, 2019	10.04	0.54	(0.11)	0.07	0.71	1.21	(0.42)	–	–	–	(0.42)	10.82
Dec. 31, 2018	10.91	0.57	(0.11)	(0.28)	(0.59)	(0.41)	(0.46)	–	–	–	(0.46)	10.04
Series F												
Dec. 31, 2022	10.75	0.49	(0.09)	(1.18)	(0.58)	(1.36)	(0.42)	–	–	–	(0.42)	9.17
Dec. 31, 2021	11.00	0.50	(0.10)	0.28	(0.32)	0.36	(0.42)	–	(0.18)	–	(0.60)	10.75
Dec. 31, 2020	10.84	0.51	(0.09)	0.25	0.15	0.82	(0.40)	–	–	–	(0.40)	11.00
Dec. 31, 2019	10.07	0.54	(0.09)	0.07	0.75	1.27	(0.43)	–	–	–	(0.43)	10.84
Dec. 31, 2018	10.93	0.57	(0.09)	(0.28)	(0.58)	(0.38)	(0.48)	–	–	–	(0.48)	10.07
Series O												
Dec. 31, 2022	10.80	0.49	–	(1.18)	(0.56)	(1.25)	(0.50)	–	–	–	(0.50)	9.21
Dec. 31, 2021	11.05	0.51	–	0.28	(0.34)	0.45	(0.51)	–	(0.19)	–	(0.70)	10.80
Dec. 31, 2020	10.89	0.51	–	0.25	0.26	1.02	(0.49)	–	–	–	(0.49)	11.05
Dec. 31, 2019	10.11	0.54	–	0.07	0.65	1.26	(0.53)	–	–	–	(0.53)	10.89
Dec. 31, 2018	10.98	0.57	–	(0.28)	(0.59)	(0.30)	(0.57)	–	–	–	(0.57)	10.11

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.



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, 2022	9.07	120 470	13 274	1.46	1.46	53.88	—
Dec. 31, 2021	10.64	154 624	14 532	1.46	1.46	47.75	—
Dec. 31, 2020	10.88	142 414	13 085	1.47	1.47	50.08	—
Dec. 31, 2019	10.73	92 616	8 631	1.45	1.45	62.13	—
Dec. 31, 2018	9.96	97 634	9 803	1.44	1.44	33.78	—
Series D							
Dec. 31, 2022	9.15	50 008	5 465	1.02	1.02	53.88	—
Dec. 31, 2021	10.73	66 172	6 168	1.03	1.03	47.75	—
Dec. 31, 2020	10.97	63 149	5 755	1.05	1.05	50.08	—
Dec. 31, 2019	10.82	68 952	6 373	1.03	1.03	62.13	—
Dec. 31, 2018	10.04	66 407	6 612	1.03	1.03	33.78	—
Series F							
Dec. 31, 2022	9.17	109 095	11 897	0.89	0.89	53.88	—
Dec. 31, 2021	10.75	180 933	16 830	0.89	0.89	47.75	—
Dec. 31, 2020	11.00	135 557	12 326	0.90	0.90	50.08	—
Dec. 31, 2019	10.84	84 208	7 765	0.88	0.88	62.13	—
Dec. 31, 2018	10.07	93 475	9 286	0.89	0.89	33.78	—
Series O							
Dec. 31, 2022	9.21	2 008 908	218 181	0.03	0.03	53.88	—
Dec. 31, 2021	10.80	3 036 384	281 232	0.03	0.03	47.75	—
Dec. 31, 2020	11.05	2 955 699	267 550	0.05	0.05	50.08	—
Dec. 31, 2019	10.89	1 885 694	173 116	0.04	0.04	62.13	—
Dec. 31, 2018	10.11	1 373 495	135 808	0.03	0.03	33.78	—

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.

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	1.25%	40%	60%	0.05%
Series D	0.90%	17%	83%	0.05%
Series F	0.75%	—	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.

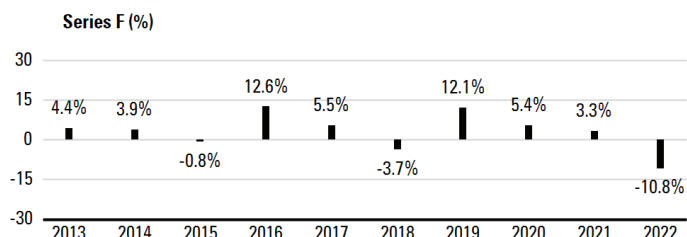
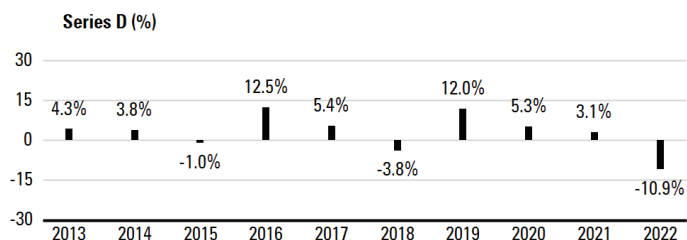
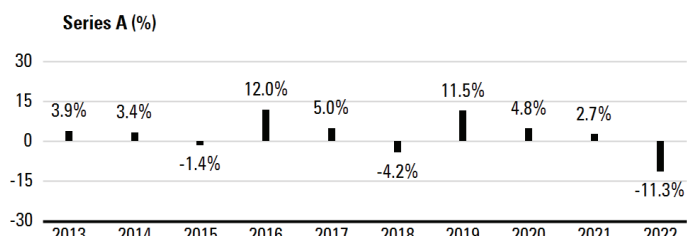


PAST PERFORMANCE

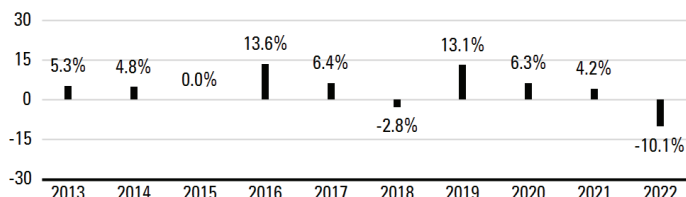
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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.



Series O (%)



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, 2022, 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	-11.3	-1.5	0.4	2.4	—
Benchmark	-11.7	-2.2	0.3	1.6	—
Series D	-10.9	-1.1	0.8	2.8	—
Benchmark	-11.7	-2.2	0.3	1.6	—
Series F	-10.8	-1.0	1.0	3.0	—
Benchmark	-11.7	-2.2	0.3	1.6	—
Series O	-10.1	-0.1	1.8	3.9	—
Benchmark	-11.7	-2.2	0.3	1.6	—

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.

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

Advisor Series units with a deferred sales charge option were re-designated as Series A units effective April 11, 2022.

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, 2022

Investment Mix

	% of Net Asset Value
United States	47.7
Canada	37.8
Underlying Funds	4.0
Netherlands	2.3
Supranational	1.5
United Kingdom	1.4
Other Countries	2.2
Cash/Other	3.1

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	1.6
iShares iBoxx High Yield Corporate Bond ETF	1.5
SPDR Bloomberg High Yield Bond ETF	1.5
Ford Motor Credit Co LLC 5.113% May 03, 2029	1.2
Unit Corp	1.0
CCO Holdings LLC / CCO Holdings Capital Corp 4.500% Aug 15, 2030	1.0
DISH DBS Corp 5.750% Dec 01, 2028	0.8
Mattamy Group Corp 5.250% Dec 15, 2027	0.8
Calpine Corp 5.000% Feb 01, 2031	0.8
Virgin Media Secured Finance PLC 5.500% May 15, 2029	0.8
Rogers Communications Inc 5.000% Dec 17, 2081	0.7
Macy's Retail Holdings LLC 5.875% Apr 01, 2029	0.7
Hilton Domestic Operating Co Inc 3.625% Feb 15, 2032	0.7
Royal Caribbean Cruises Ltd 11.625% Aug 15, 2027	0.7
OI European Group BV 4.750% Feb 15, 2030	0.7
Pembina Pipeline Corp 4.800% Jan 25, 2081	0.7
OneMain Finance Corp 6.625% Jan 15, 2028	0.7
Post Holdings Inc 5.500% Dec 15, 2029	0.6
Tenet Healthcare Corp 4.250% Jun 01, 2029	0.6
EnLink Midstream LLC 6.500% Sep 01, 2030	0.6
Toll Brothers Finance Corp 3.800% Nov 01, 2029	0.6
CCO Holdings LLC / CCO Holdings Capital Corp 5.375% Jun 01, 2029	0.6
Ziggo Bond Co BV 5.125% Feb 28, 2030	0.6
CSC Holdings LLC 5.500% Apr 15, 2027	0.6
Builders FirstSource Inc 5.000% Mar 01, 2030	0.6
Top 25 Holdings	20.7

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.