FIXED-INCOME ETF

RBC TARGET 2025 CORPORATE BOND INDEX ETF

September 30, 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 December 7, 2023.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF 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 ETF 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 ETF. 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 ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), 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 ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2025 Maturity Corporate Bond Index*. The FTSE Canada 2025 Maturity Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian dollar-denominated investment grade corporate bonds with effective maturities in 2025.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2025 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

The ETF will terminate on or about September 30, 2025.

Risk

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

Results of Operations

The ETF's net asset value rose to $442 million as of September 30, 2023, from $113 million on September 30, 2022. The increase was due to net inflows.

Over the past financial year, the ETF's units gained 3.6%, which underperformed the 3.8% rise in the benchmark. The broad-based index fell 1.4%. The ETF's return is after the deduction of 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 the ETF.

The ETF posted gains over the past 12-month period amid increasingly attractive bond yields, which more than offset bond-price declines tied to the past year's rise in interest rates. The Bank of Canada (the "BOC") boosted its benchmark interest rate to 5% from 3.25% during the period as inflation stayed stubbornly above the central bank's 2% target. Corporate-bond yields rose significantly in early 2023, a sign of investor concern, after the collapse of Silicon Valley Bank and several other midsize U.S. financial institutions.

Corporate bonds with maturities between one year and five years outperformed federal and provincial bonds of similar maturity due to the extra yield provided by non-government fixed income. Returns on securities with relatively short maturities (1 year to 3 years) exceeded those on bonds with maturities of more than 3 years as longer-dated bonds were more negatively affected by the overall climb in interest rates. All major sectors recorded similar returns except for infrastructure bonds, which lagged. Corporate-bond returns were aided by a drop in the premium required by investors to hold them, indicating that investors considered corporate yields high enough to offset the risks they carry versus government securities.

Recent Developments

It is highly likely that the BOC and U.S. Federal Reserve are at, or near the end of, the current round of interest-rate hikes. This does not mean that the two central banks will move to cut rates any time soon, as inflation is still well short of the targeted 2%. As a result, bond yields will stay at current levels for the foreseeable future, in the view of the portfolio manager, and could even rise modestly if inflation remains sticky.

Bond-default rates are rising for high-yield bonds but remain low for investment-grade securities. The premiums offered for corporate bonds relative to government securities are attractive on a historical basis, and returns should stay positive over the next six months assuming inflation does not return to the uncomfortably high levels of 2022.

A high percentage of the bonds held in the ETF trades at a discount to par, offering positive tax implications for investors. Investors should continue to expect temporary periods of volatility as the impact of higher interest rates and the unwinding of policies that had helped hold down bond yields filters through the economy and financial system.

Effective April 13, 2023, the management fees were reduced to 0.20% from 0.25%.

Effective December 31, 2022, Charles F. Macfarlane stepped down as a member of the Independent Review Committee ("the IRC"). Effective January 1, 2023, Suromitra Sanatani was appointed as Chair of 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.

* "FTSE Canada 2025 Maturity Corporate Bond Index" is a trademark of FTSE Debt Capital Markets Inc. ("FTDCM"). "FTSE" is a trademark of the London Stock Exchange Group companies (the "Exchange") and is used by FTDCM under licence. The "FTSE Canada 2025 Maturity Corporate Bond Index" trademark has been licensed for use for certain purposes to RBC GAM. The RBC ETFs are not sponsored, endorsed, sold or promoted by FTDCM, FTSE International Limited or the Exchange (together, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The index is compiled and calculated by FTDCM and all copyright in the index values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.

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 ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may 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 ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a fee for these services, which is paid by the manager from the management fee paid by the ETF.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the 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 ETF 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 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 ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.

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FINANCIAL HIGHLIGHTS

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

Change in Net Assets Per Unit ($)

		Increase (Decrease) from Operations[1]					Annual Distributions[2]					
For the Year/ Period Ended	Net Assets Beginning 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	Total	Net Assets End of Year/Period
Sept. 30, 2023	**19.45**	**0.59**	**(0.05)**	**(0.04)**	**0.15**	**0.65**	**(0.47)**	**–**	**–**	**(0.05)**	**(0.52)**	**19.62**
Sept. 30, 2022	21.36	0.55	(0.06)	(0.42)	(1.33)	(1.26)	(0.48)	–	(0.03)	–	(0.51)	19.45
Sept. 30, 2021	21.78	0.57	(0.06)	0.16	(0.61)	0.06	(0.47)	–	(0.39)	(0.01)	(0.87)	21.36
Sept. 30, 2020[3]	20.63	0.48	(0.04)	0.43	0.72	1.59	(0.44)	–	–	(0.04)	(0.48)	21.78
Dec. 31, 2019	19.95	0.69	(0.06)	0.06	(0.54)	0.15	(0.58)	–	(0.01)	–	(0.59)	20.63

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 either paid in cash, reinvested in additional units of the ETF, or both.

3 The financial year-end of the ETF was changed from December 31 to September 30 in 2020 and therefore the information disclosed is for the nine-month period ended September 30, 2020.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit ($)	Net Asset Value ($000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%)[1]	MER Before Absorption (%)[1]	Portfolio Turnover Rate (%)[2]	Trading Expense Ratio (%)[3]	Closing Market Price ($)
Sept. 30, 2023	**19.62**	**441 511**	**22 500**	**0.25**	**0.25**	**10.88**	**–**	**19.66**
Sept. 30, 2022	19.45	112 818	5 800	0.28	0.28	48.43	–	19.45
Sept. 30, 2021	21.36	69 428	3 250	0.28	0.28	28.52	–	21.33
Sept. 30, 2020[4]	21.78	72 951	3 350	0.28	0.28	64.87	–	21.74
Dec. 31, 2019	20.63	79 420	3 850	0.30	0.30	69.40	–	20.75

1 The management expense ratio ("MER") is based on the direct expenses charged to the ETF and the ETF'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 ETF'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 ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF 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 ETF.

3 The trading expense ratio represents total commissions and other portfolio transaction costs of the ETF and the ETF'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 The financial year-end of the ETF was changed from December 31 to September 30 in 2020 and therefore the information disclosed is for the nine-month period ended September 30, 2020.

Effective April 13, 2023, the management fees were reduced to 0.20% from 0.25%. If the changes to the management fees would have been in effect throughout the financial year ended September 30, 2023, the adjusted MER for the ETF would be: 0.23%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. RBC GAM is paid a management fee per annum of the net asset value by the ETF as compensation for its services. The management fee of the ETF is calculated at 0.20% annually, before GST/HST, of the daily net asset value of the ETF.

Effective April 13, 2023, the management fees were reduced to 0.20% from 0.25%.

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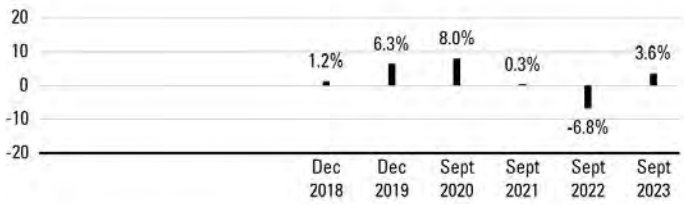
PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF 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 ETF 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 ETF's performance for each of the years shown, and illustrates how the ETF'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 of the ETF for each of the periods indicated ended on September 30, 2023, compared with the following benchmarks:

FTSE Canada 2025 Maturity Corporate Bond Index

The broad-based index is the FTSE Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	3.6	-1.1	2.5	–	2.4
Benchmark	3.8	-0.8	2.7	–	2.6
Broad-based index	-1.4	-5.1	0.1	–	0.0

The 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.

The ETF's units have been available for sale to unitholders since September 12, 2018.

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

For the 12-month periods ended December 31 and September 30 (nine-month period ended September 30, 2020).

INDEX DESCRIPTIONS

FTSE Canada 2025 Maturity Corporate Bond Index This index is designed to measure the performance of a held-to-maturity portfolio consisting primarily of Canadian-dollar-denominated investment-grade corporate bonds maturing in 2025.

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 September 30, 2023

Investment Mix

	% of Net Asset Value
Financials	73.7
Energy	12.3
Communication Services	4.6
Industrials	3.9
Infrastructure	2.7
Real Estate	2.0
Cash/Other	0.8

Top 25 Holdings

	% of Net Asset Value
Bank of Nova Scotia 2.160% Feb 03, 2025	6.4
HSBC Bank Canada 3.403% Mar 24, 2025	5.6
Rogers Communications Inc. 3.100% Apr 15, 2025	4.6
Canadian Imperial Bank of Commerce 3.300% May 26, 2025	4.2
Toronto-Dominion Bank 1.943% Mar 13, 2025	3.8
Federation des Caisses Desjardins du Quebec 5.200% Oct 01, 2025	3.8
Toronto-Dominion Bank 1.128% Dec 09, 2025	3.7
Manulife Financial Corp. 2.237% May 12, 2030, FRN	3.6
Bank of Montreal 2.370% Feb 03, 2025	3.5
Royal Bank of Canada 4.930% Jul 16, 2025	3.0
Royal Bank of Canada 1.936% May 01, 2025	3.0
National Bank of Canada 2.580% Feb 03, 2025	2.8
Bank of Nova Scotia 1.950% Jan 10, 2025	2.7
National Bank of Canada 1.573% Aug 18, 2026, FRN	2.7
Alimentation Couche-Tard Inc. 3.600% Jun 02, 2025	2.6
Bank of Montreal 4.609% Sep 10, 2025	2.5
Daimler Truck Finance Canada Inc. 5.180% Sep 19, 2025	2.3
Enbridge Inc. 2.440% Jun 02, 2025	2.0
VW Credit Canada Inc. 5.800% Nov 17, 2025	1.9
Canadian Imperial Bank of Commerce 2.000% Apr 17, 2025	1.9
Honda Canada Finance Inc. 3.444% May 23, 2025	1.9
Toyota Credit Canada Inc. 2.110% Feb 26, 2025	1.8
Toyota Credit Canada Inc. 2.730% Aug 25, 2025	1.8
AltaGas Ltd. 2.157% Jun 10, 2025	1.8
Manulife Bank of Canada 1.504% Jun 25, 2025	1.8
Top 25 Holdings	75.7

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