



FIXED-INCOME FUND

## RBC EMERGING MARKETS BOND FUND

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June 30, 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)*

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 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.

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*This interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim financial statements or 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](http://www.rbcgam.com/regulatorydocuments) or SEDAR+ at [www.sedarplus.ca](http://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 total returns comprised of interest income and capital growth by investing primarily in government debt securities of emerging market countries. The Fund may also invest in emerging market corporate bonds and government debt securities of developed countries.

To achieve the Fund's objective, the portfolio manager invests mainly in U.S. dollar-denominated bonds issued by governments of emerging market countries. The Fund may also invest in bonds of such countries denominated in another G7 currency or in the local currencies of these countries.

### Results of Operations

The Fund's net asset value was \$1.4 billion as of June 30, 2023.

Over the past six months, the Fund's Series F units gained 1.9%. The Fund's return is after the deduction of fees and expenses. 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.

Emerging-market government bonds posted gains in the first six months of 2023, as easing inflation made it more likely that major central banks, including the U.S. Federal Reserve (the "Fed"), would reduce the pace of interest-rate hikes, following the fastest series of increases in more than a generation. Emerging-market bonds received a boost at the beginning of the year after China sent clear signals that it intended to relax the country's strict COVID lockdowns. Economic activity also got a lift from moves by many emerging-market central banks to halt interest-rate hikes, and some even indicated that rate cuts might be coming.

The Fund's relative performance was aided by exposure to bonds issued by high-yielding issuers such as El Salvador, the Dominican Republic, Nigeria and Costa Rica. The Fund's decision to allocate a portion of its assets to emerging-market sovereign bonds denominated in local currencies also had a positive impact on performance. In contrast, the Fund's lower exposure to bonds issued by highly rated emerging-market countries such as Chile and Malaysia hurt relative performance. Also negative for the Fund were holdings of bonds issued by Egypt amid skepticism about the government's commitment to economic reform.

### Recent Developments

The portfolio manager believes that the outlook for emerging-market bonds has improved given attractive valuations, particularly for higher-yielding sovereign issuers, and expectations that emerging-market central banks will soon begin to roll back the rate increases

of recent years. Furthermore, Chinese authorities are indicating that they would offer additional support to stimulate their economy, which is likely to have a positive effect on emerging-market growth and therefore increase investors' appetite for riskier assets such as emerging-market sovereign bonds.

As the Fed nears the end of its tightening cycle, emerging-market countries can look forward to more stable and predictable borrowing costs, making it easier for their governments to cover their financing needs and reducing the likelihood of defaults. Even under these conditions, the possibility of a deeper-than-expected U.S. recession and an underwhelming economic recovery in China are likely to limit economic growth in most emerging markets this year.

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-Advisor***

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund. The sub-advisor earns 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-advisor is 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 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 six months (noted by June 30, 2023), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and 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 <sup>1</sup>					Annual Distributions <sup>2</sup>				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		
<b>Series A</b>												
<b>June 30, 2023</b>	<b>9.06</b>	<b>0.28</b>	<b>(0.08)</b>	<b>(0.01)</b>	<b>(0.05)</b>	<b>0.14</b>	<b>(0.21)</b>	–	–	–	<b>(0.21)</b>	<b>8.98</b>
Dec. 31, 2022	10.71	0.56	(0.16)	(0.49)	(1.24)	(1.33)	(0.42)	–	–	–	(0.42)	9.06
Dec. 31, 2021	11.57	0.55	(0.19)	(0.04)	(0.85)	(0.53)	(0.36)	–	–	–	(0.36)	10.71
Dec. 31, 2020	11.66	0.59	(0.20)	0.12	(0.17)	0.34	(0.39)	–	(0.12)	–	(0.51)	11.57
Dec. 31, 2019	11.25	0.66	(0.20)	0.03	0.28	0.77	(0.37)	–	–	–	(0.37)	11.66
Dec. 31, 2018	11.25	0.62	(0.20)	(0.02)	(0.05)	0.35	(0.42)	–	–	–	(0.42)	11.25
<b>Series D</b>												
<b>June 30, 2023</b>	<b>9.17</b>	<b>0.28</b>	<b>(0.05)</b>	<b>(0.01)</b>	<b>(0.06)</b>	<b>0.16</b>	<b>(0.25)</b>	–	–	–	<b>(0.25)</b>	<b>9.09</b>
Dec. 31, 2022	10.84	0.56	(0.10)	(0.49)	(2.08)	(2.11)	(0.49)	–	–	–	(0.49)	9.17
Dec. 31, 2021	11.71	0.56	(0.12)	(0.04)	(0.87)	(0.47)	(0.44)	–	–	–	(0.44)	10.84
Dec. 31, 2020	11.80	0.60	(0.12)	0.12	(0.17)	0.43	(0.48)	–	(0.12)	–	(0.60)	11.71
Dec. 31, 2019	11.38	0.66	(0.12)	0.03	0.27	0.84	(0.45)	–	–	–	(0.45)	11.80
Dec. 31, 2018	11.38	0.63	(0.12)	(0.02)	(0.05)	0.44	(0.50)	–	–	–	(0.50)	11.38
<b>Series F</b>												
<b>June 30, 2023</b>	<b>9.04</b>	<b>0.27</b>	<b>(0.04)</b>	<b>(0.01)</b>	<b>(0.05)</b>	<b>0.17</b>	<b>(0.25)</b>	–	–	–	<b>(0.25)</b>	<b>8.96</b>
Dec. 31, 2022	10.68	0.56	(0.08)	(0.49)	(1.15)	(1.16)	(0.50)	–	–	–	(0.50)	9.04
Dec. 31, 2021	11.54	0.55	(0.10)	(0.04)	(0.81)	(0.40)	(0.45)	–	–	–	(0.45)	10.68
Dec. 31, 2020	11.63	0.59	(0.10)	0.12	(0.13)	0.48	(0.49)	–	(0.12)	–	(0.61)	11.54
Dec. 31, 2019	11.22	0.65	(0.10)	0.03	0.27	0.85	(0.47)	–	–	–	(0.47)	11.63
Dec. 31, 2018	11.22	0.62	(0.10)	(0.02)	(0.09)	0.41	(0.50)	–	–	–	(0.50)	11.22
<b>Series O</b>												
<b>June 30, 2023</b>	<b>9.04</b>	<b>0.28</b>	–	<b>(0.01)</b>	<b>(0.07)</b>	<b>0.20</b>	<b>(0.29)</b>	–	–	–	<b>(0.29)</b>	<b>8.96</b>
Dec. 31, 2022	10.68	0.56	–	(0.49)	(1.26)	(1.19)	(0.58)	–	–	–	(0.58)	9.04
Dec. 31, 2021	11.54	0.55	–	(0.04)	(0.80)	(0.29)	(0.55)	–	–	–	(0.55)	10.68
Dec. 31, 2020	11.63	0.59	–	0.12	(0.12)	0.59	(0.59)	–	(0.12)	–	(0.71)	11.54
Dec. 31, 2019	11.23	0.62	–	0.03	0.17	0.82	(0.57)	–	–	–	(0.57)	11.63
Dec. 31, 2018	11.22	0.62	(0.01)	(0.02)	0.01	0.60	(0.60)	–	–	–	(0.60)	11.23

<sup>1</sup> 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.

<sup>2</sup> Distributions are reinvested in additional units of the Fund or paid in cash.

### Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>June 30, 2023</b>	<b>8.98</b>	<b>23 919</b>	<b>2 663</b>	<b>1.72</b>	<b>1.72</b>	<b>6.03</b>	–
Dec. 31, 2022	9.06	26 604	2 934	1.72	1.72	10.07	–
Dec. 31, 2021	10.71	36 641	3 421	1.73	1.73	11.77	–
Dec. 31, 2020	11.57	46 675	4 034	1.73	1.73	21.43	–
Dec. 31, 2019	11.66	36 305	3 113	1.73	1.73	37.03	–
Dec. 31, 2018	11.25	34 811	3 095	1.78	1.78	33.76	–



**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data (cont.)**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series D</b>							
<b>June 30, 2023</b>	<b>9.09</b>	<b>4 695</b>	<b>517</b>	<b>1.07</b>	<b>1.07</b>	<b>6.03</b>	—
Dec. 31, 2022	9.17	4 326	472	1.07	1.07	10.07	—
Dec. 31, 2021	10.84	14 398	1 329	1.07	1.07	11.77	—
Dec. 31, 2020	11.71	16 895	1 443	1.07	1.07	21.43	—
Dec. 31, 2019	11.80	19 315	1 637	1.07	1.07	37.03	—
Dec. 31, 2018	11.38	15 773	1 386	1.12	1.12	33.76	—
<b>Series F</b>							
<b>June 30, 2023</b>	<b>8.96</b>	<b>74 980</b>	<b>8 372</b>	<b>0.89</b>	<b>0.89</b>	<b>6.03</b>	—
Dec. 31, 2022	9.04	77 056	8 524	0.90	0.90	10.07	—
Dec. 31, 2021	10.68	99 188	9 287	0.91	0.91	11.77	—
Dec. 31, 2020	11.54	139 410	12 081	0.91	0.91	21.43	—
Dec. 31, 2019	11.63	139 651	12 006	0.91	0.91	37.03	—
Dec. 31, 2018	11.22	120 529	10 741	0.96	0.96	33.76	—
<b>Series O</b>							
<b>June 30, 2023</b>	<b>8.96</b>	<b>1 250 675</b>	<b>139 638</b>	<b>0.03</b>	<b>0.03</b>	<b>6.03</b>	—
Dec. 31, 2022	9.04	1 214 670	134 344	0.03	0.03	10.07	—
Dec. 31, 2021	10.68	1 715 969	160 638	0.04	0.04	11.77	—
Dec. 31, 2020	11.54	1 554 821	134 704	0.04	0.04	21.43	—
Dec. 31, 2019	11.63	1 518 640	130 537	0.03	0.03	37.03	—
Dec. 31, 2018	11.23	635 440	56 606	0.12	0.12	33.76	—

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

Effective January 1, 2019, the administration fees for Series A, Series D and Series F units were reduced to 0.05% from 0.10%; and for Series O units were reduced to 0.02% from 0.10%.

**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%	0.05%
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.

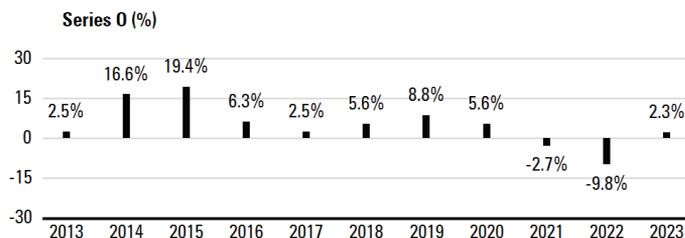
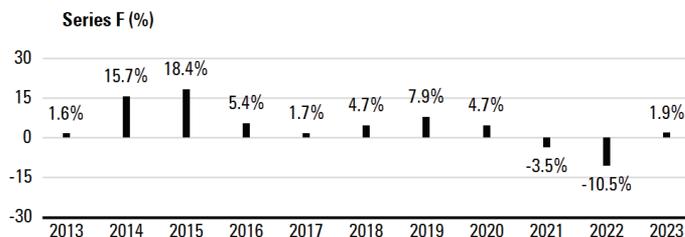
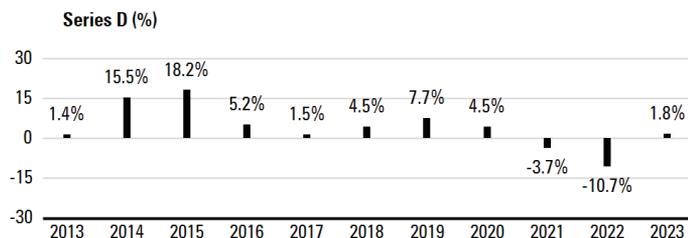
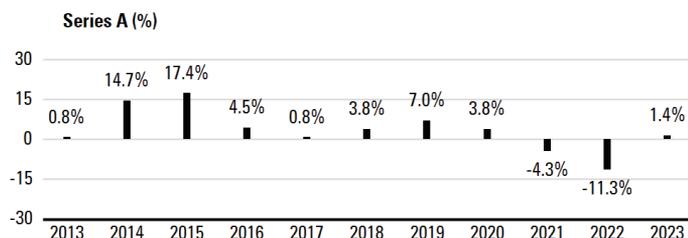


**PAST PERFORMANCE**

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 or interim period.



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.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2023.



**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

As at June 30, 2023

**Investment Mix**

	% of Net Asset Value
Mexico	5.9
Oman	3.9
Dominican Republic	3.8
Turkey	3.7
South Africa	3.7
Colombia	3.6
Brazil	3.5
Indonesia	3.3
United Arab Emirates	3.1
Qatar	3.0
Saudi Arabia	3.0
Underlying Funds	3.0
Egypt	2.7
Peru	2.7
Panama	2.7
Nigeria	2.6
Bahrain	2.5
Kazakhstan	2.3
Philippines	2.2
Chile	2.0
Argentina	1.9
United States	1.8
Uruguay	1.8
Angola	1.6
China	1.6
Guatemala	1.5
Malaysia	1.5
Romania	1.5
Costa Rica	1.5
Kenya	1.4
Paraguay	1.3
Ghana	1.3
India	1.2
Ecuador	1.1
Morocco	1.1
Ukraine	1.0
Jordan	1.0
Azerbaijan	0.7
Other Countries	8.4
Cash/Other	3.6

**Top 25 Holdings**

	% of Net Asset Value
Cash & Cash Equivalents	2.2
Oman Government International Bond 4.750% Jun 15, 2026	2.1
Peruvian Government International Bond 8.750% Nov 21, 2033	1.9
United States Treasury Note 2.250% Feb 15, 2027	1.8
iShares J.P. Morgan USD Emerging Markets Bond ETF	1.8
Oman Government International Bond 6.500% Mar 08, 2047	1.8
Saudi Government International Bond 4.500% Apr 17, 2030	1.7
Philippine Government International Bond 7.750% Jan 14, 2031	1.7
Colombia Government International Bond 6.125% Jan 18, 2041	1.6
Petroleos Mexicanos 5.950% Jan 28, 2031	1.4
Brazilian Government International Bond 4.625% Jan 13, 2028	1.4
Dominican Republic International Bond 7.450% Apr 30, 2044	1.4
Nigeria Government International Bond 7.875% Feb 16, 2032	1.3
Turkey Government International Bond 6.000% Mar 25, 2027	1.3
Bahrain Government International Bond 7.000% Oct 12, 2028	1.2
Saudi Government International Bond 5.250% Jan 16, 2050	1.2
VanEck J. P. Morgan EM Local Currency Bond ETF	1.2
Bahrain Government International Bond 7.500% Sep 20, 2047	1.2
Panama Government International Bond 6.700% Jan 26, 2036	1.2
Dominican Republic International Bond 6.400% Jun 05, 2049	1.2
Abu Dhabi Government International Bond 4.125% Oct 11, 2047	1.2
Uruguay Government International Bond 7.625% Mar 21, 2036	1.1
Petroleos Mexicanos 6.625% Jun 15, 2035	1.1
Kazakhstan Government International Bond 4.875% Oct 14, 2044	1.1
Qatar Government International Bond 6.400% Jan 20, 2040	1.1
<b>Top 25 Holdings</b>	<b>36.2</b>

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](http://www.rbcgam.com/regulatorydocuments).