



FIXED-INCOME FUND

## BLUEBAY GLOBAL SOVEREIGN BOND FUND (CANADA)

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June 30, 2025

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 7, 2025.

### **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 modest capital appreciation by investing primarily in fixed-income securities issued by sovereign governments and entities (including emerging-market countries) anywhere in the world. The Fund may also invest in corporate debt securities globally.

To achieve the Fund's objectives, the sub-advisor conducts detailed analysis examining economic growth, inflation, and the fiscal and monetary policy of each country to identify investment opportunities offering higher probabilities of superior rates of return while minimizing the prospect of default.

### Results of Operations

The Fund's net asset value was \$2.0 billion as of June 30, 2025.

Over the past six months, the Fund's Series F units gained 1.8%. 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.

Sovereign bonds posted modest returns after risks related to geopolitical turmoil subsided and the new U.S. administration backed off plans to impose tariffs that many investors had expected to fan inflation.

Financial markets plunged as the U.S. announced in early April that it would impose larger-than-expected tariffs on trade partners. The yield on the 30-year Treasury bond climbed beyond 5% at one point, the highest in several years, due to fears that slowing growth would be accompanied by high inflation and that U.S. finances would continue to deteriorate. Financial markets recovered after the negative market reaction led Trump to delay implementing certain tariffs in the hope of negotiating trade settlements.

Investors were concerned that European bond markets were susceptible to inflation given new commitments in Europe to boost government spending in part through higher defence expenditures. However, a gradual decline in inflation allowed the European Central Bank to cut its benchmark interest rate to 2% from 3% over the period, and down from 4% at the recent peak.

The Fund's return was aided by the sub-advisor's view that bond yields in Japan would move higher than many investors expected. Performance was also bolstered by gains in Mexican and South African bonds denominated in local currency as yields fell sharply with declining inflation. Romanian bonds aided returns on relief that a pro-Europe politician had won the recent presidential election, paving the way for greater fiscal reforms.

### Recent Developments

Given the level of uncertainty and complexity across markets, the sub-advisor is for now avoiding positions that would expose the portfolio to significant changes in interest rates. However, the Fund is positioned to benefit if U.S. longer-term rates rise more than short rates or short-term rates fall more than long rates – a steepening of the yield curve. This positioning is based in part on a view that interest rates and inflation could rise since Trump's fiscal plan is forecast to lead to a budget deficit exceeding 7% of GDP for the remainder of his term. In Europe, increased fiscal spending on defence and infrastructure is projected to boost economic growth, and, with inflation likely staying below 2%, should enable the European Central Bank to cut rates to 1.75% by year-end.

The sub-advisor continues to have a positive view of Romania, whose 10-year bond offers 3 percentage points more of yield than benchmark German bonds. In Japan, the Fund is positioned to benefit if longer-term rates fall faster than short rates or shorter-term rates rise faster than long rates – a flattening of the yield curve.

### 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, debt securities or mortgages from or sales of equity, debt securities or mortgages to a related-party dealer, where it acted as principal; and

##### ***Inter-Fund Trading***

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

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by June 30, 2025), 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 (\$)

		Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>						
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	
Series A													
Jun. 30, 2025	8.29	0.12	(0.06)	(0.21)	0.26	0.11	(0.15)	—	—	—	(0.15)	8.25	
Dec. 31, 2024	8.35	0.30	(0.13)	(0.17)	0.05	0.05	(0.10)	—	—	—	(0.10)	8.29	
Dec. 31, 2023	8.12	0.22	(0.13)	(0.54)	0.82	0.37	(0.15)	—	—	—	(0.15)	8.35	
Dec. 31, 2022	9.63	0.27	(0.14)	(0.53)	(0.90)	(1.30)	(0.32)	—	—	—	(0.32)	8.12	
Dec. 31, 2021	10.57	0.25	(0.16)	0.49	(0.98)	(0.40)	(0.10)	—	(0.48)	—	(0.58)	9.63	
Dec. 31, 2020	10.34	0.07	(0.16)	0.47	—	0.38	—	—	(0.34)	—	(0.34)	10.57	
Series D													
Jun. 30, 2025	8.46	0.15	(0.04)	(0.26)	0.21	0.06	(0.17)	—	—	—	(0.17)	8.43	
Dec. 31, 2024	8.51	0.32	(0.08)	(0.18)	0.04	0.10	(0.14)	—	—	—	(0.14)	8.46	
Dec. 31, 2023	8.26	0.17	(0.08)	(0.42)	0.65	0.32	(0.19)	—	—	—	(0.19)	8.51	
Dec. 31, 2022	9.78	0.28	(0.09)	(0.54)	(0.91)	(1.26)	(0.36)	—	—	—	(0.36)	8.26	
Dec. 31, 2021	10.69	0.25	(0.10)	0.50	(1.06)	(0.41)	(0.12)	—	(0.49)	—	(0.61)	9.78	
Dec. 31, 2020	10.41	0.07	(0.11)	0.48	(0.43)	0.01	(0.01)	—	(0.34)	—	(0.35)	10.69	
Series F													
Jun. 30, 2025	8.49	0.13	(0.03)	(0.23)	0.28	0.15	(0.19)	—	—	—	(0.19)	8.45	
Dec. 31, 2024	8.53	0.27	(0.06)	(0.15)	(0.22)	(0.16)	(0.15)	—	—	—	(0.15)	8.49	
Dec. 31, 2023	8.28	0.22	(0.06)	(0.54)	0.78	0.40	(0.21)	—	—	—	(0.21)	8.53	
Dec. 31, 2022	9.79	0.28	(0.06)	(0.54)	(0.75)	(1.07)	(0.38)	—	—	—	(0.38)	8.28	
Dec. 31, 2021	10.72	0.25	(0.07)	0.50	(1.00)	(0.32)	(0.15)	—	(0.51)	—	(0.66)	9.79	
Dec. 31, 2020	10.41	0.07	(0.08)	0.47	0.16	0.62	(0.02)	—	(0.34)	—	(0.36)	10.72	
Series O													
Jun. 30, 2025	8.55	0.13	—	(0.23)	0.28	0.18	(0.22)	—	—	—	(0.22)	8.51	
Dec. 31, 2024	8.58	0.27	—	(0.15)	0.06	0.18	(0.21)	—	—	—	(0.21)	8.55	
Dec. 31, 2023	8.31	0.22	—	(0.55)	0.84	0.51	(0.25)	—	—	—	(0.25)	8.58	
Dec. 31, 2022	9.84	0.28	—	(0.54)	(0.84)	(1.10)	(0.44)	—	—	—	(0.44)	8.31	
Dec. 31, 2021	10.75	0.25	(0.01)	0.49	(0.90)	(0.17)	(0.22)	—	(0.49)	—	(0.71)	9.84	
Dec. 31, 2020	10.42	0.07	(0.01)	0.47	0.23	0.76	(0.07)	—	(0.34)	—	(0.41)	10.75	

<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.



## 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 (%) <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>Jun. 30, 2025</b>	<b>8.25</b>	<b>784</b>	<b>95</b>	<b>1.56</b>	<b>1.56</b>	<b>53.49</b>	—
Dec. 31, 2024	8.29	825	100	1.56	1.56	114.21	—
Dec. 31, 2023	8.35	707	85	1.55	1.55	126.36	—
Dec. 31, 2022	8.12	640	79	1.55	1.55	155.13	—
Dec. 31, 2021	9.63	869	90	1.56	1.56	125.90	—
Dec. 31, 2020	10.57	1,527	145	1.53	1.53	158.72	—
<b>Series D</b>							
<b>Jun. 30, 2025</b>	<b>8.43</b>	<b>161</b>	<b>19</b>	<b>0.98</b>	<b>0.98</b>	<b>53.49</b>	—
Dec. 31, 2024	8.46	159	19	0.98	0.98	114.21	—
Dec. 31, 2023	8.51	144	17	0.99	0.99	126.36	—
Dec. 31, 2022	8.26	281	34	0.99	0.99	155.13	—
Dec. 31, 2021	9.78	332	34	0.99	0.99	125.90	—
Dec. 31, 2020	10.69	859	80	1.01	1.01	158.72	—
<b>Series F</b>							
<b>Jun. 30, 2025</b>	<b>8.45</b>	<b>4,727</b>	<b>559</b>	<b>0.70</b>	<b>0.70</b>	<b>53.49</b>	—
Dec. 31, 2024	8.49	4,504	530	0.69	0.69	114.21	—
Dec. 31, 2023	8.53	27,870	3,268	0.70	0.70	126.36	—
Dec. 31, 2022	8.28	16,651	2,012	0.71	0.71	155.13	—
Dec. 31, 2021	9.79	12,833	1,311	0.70	0.70	125.90	—
Dec. 31, 2020	10.72	25,791	2,405	0.70	0.70	158.72	—
<b>Series O</b>							
<b>Jun. 30, 2025</b>	<b>8.51</b>	<b>2,000,559</b>	<b>235,049</b>	<b>0.02</b>	<b>0.02</b>	<b>53.49</b>	—
Dec. 31, 2024	8.55	1,951,681	228,328	0.02	0.02	114.21	—
Dec. 31, 2023	8.58	1,830,369	213,299	0.02	0.02	126.36	—
Dec. 31, 2022	8.31	1,619,201	194,756	0.06	0.06	155.13	—
Dec. 31, 2021	9.84	1,985,336	201,862	0.06	0.06	125.90	—
Dec. 31, 2020	10.75	1,569,819	145,992	0.06	0.06	158.72	—

<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, 2023, the administration fees for Series O units were reduced to 0.02% from 0.05%. 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 – 0.02%.



## FINANCIAL HIGHLIGHTS (cont.)

### 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	1.35%	56%	44%	0.05%
Series D	0.85%	29%	71%	0.05%
Series F	0.60%	—	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.

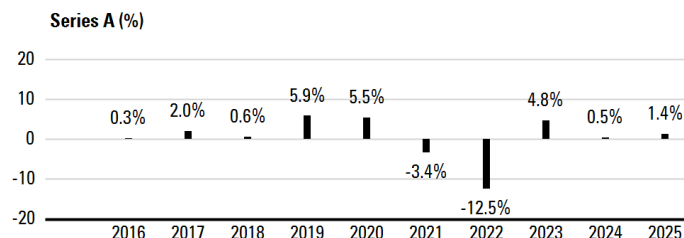
\* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

## PAST PERFORMANCE

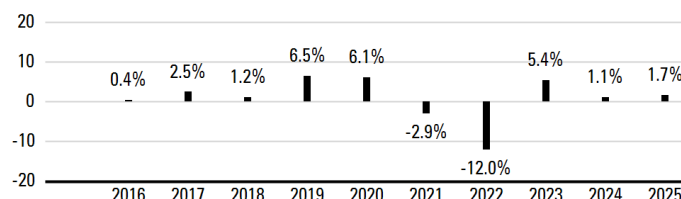
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional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

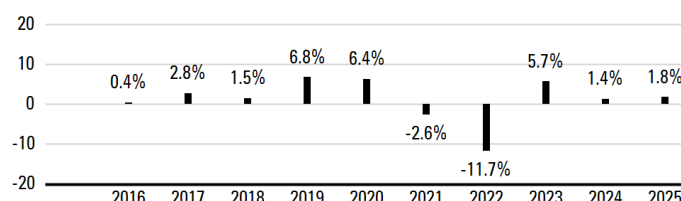
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



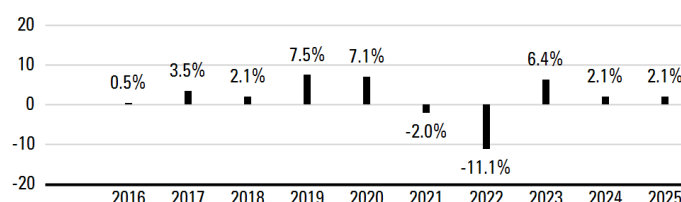
**Series D (%)**



**Series F (%)**



**Series O (%)**



Series A, Series D, Series F and Series O units have been available for sale to unitholders since December 1, 2016.

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

For the 12-month periods ended December 31 and the six-month period ended June 30, 2025.



## SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2025

### Investment Mix

	% of Net Asset Value
United States	37.1
Japan	8.7
Romania	8.3
Germany	6.0
Mexico	4.8
United Kingdom	3.5
Italy	3.3
France	2.8
Poland	2.5
South Africa	2.3
Other Countries	13.6
Cash/Other	7.1

### Top 25 Holdings

	% of Net Asset Value
United States Treasury Note 3.500% Sep 30, 2029	7.5
United States Treasury Note 0.875% Nov 15, 2030	6.9
United States Treasury Note 2.250% Nov 15, 2027	6.2
Cash & Cash Equivalents	5.4
Bundesobligation 2.400% Apr 18, 2030	3.0
United States Treasury Note 4.500% Nov 15, 2033	2.9
Japan Government Forty Year Bond 2.200% Mar 20, 2064	2.8
United States Treasury Note 3.875% Nov 30, 2029	2.3
Republic of South Africa Government Bond 8.875% Feb 28, 2035	2.3
United Kingdom Gilt 4.250% Sep 07, 2039	2.2
French Republic Government Bond O.A.T. 1.500% May 25, 2050	2.2
Republic of Poland Government International Bond 1.290% Nov 26, 2027	2.0
Mexico Government International Bond 1.430% Aug 27, 2027	2.0
United States Treasury Note 4.750% Nov 15, 2053	1.9
United States Treasury Note 1.375% Aug 15, 2050	1.8
Japan Government Thirty Year Bond 2.300% May 20, 2032	1.8
United States Treasury Note 4.250% Nov 15, 2034	1.6
Buoni Poliennali Del Tesoro 4.750% Sep 01, 2044	1.5
United States Treasury Note 2.875% May 15, 2028	1.5
Bundesrepublik Deutschland Bundesanleihe 2.500% Feb 15, 2035	1.3
Spain Government Bond 1.000% Oct 31, 2050	1.2
Romanian Government International Bond 5.875% Jul 11, 2032	1.2
Japan Government Thirty Year Bond 1.800% Sep 20, 2053	1.2
United States Treasury Note 3.875% Apr 30, 2030	1.1
Japan Government Thirty Year Bond 0.600% Dec 20, 2046	1.1
Top 25 Holdings	64.9

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).