



FIXED-INCOME FUND

BLUEBAY GLOBAL ALTERNATIVE BOND FUND (CANADA)

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)

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

The Board of Directors of RBC Global Asset Management Inc. approved this 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.

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 or SEDAR+ at www.sedarplus.ca. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide total returns comprised of interest income and modest capital appreciation.

To achieve its objective, the Fund invests primarily in long and short positions of investment grade fixed-income securities issued by sovereign governments and entities, and corporations from anywhere around the world. It may also invest in high-yield debt securities and emerging-market sovereign and corporate bonds globally. The Fund may engage in short sales, borrowing and/or derivatives for investment purposes.

As an "alternative mutual fund" under National Instrument 81-102 – Investment Funds ("NI 81-102"), the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. The Fund is permitted to borrow, up to 50% of the Fund's net asset value, cash to use for investment purposes; sell, up to 50% of the Fund's net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in the aggregate); and create total leverage of up to 300% of the Fund's net asset value.

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 0.3%. 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.

The Fund has had a mixed first six months of 2023. Returns were aided by the higher income generated by the portfolio's bond holdings and boosted further by positions aimed at taking advantage of rising U.S. Treasury yields. Offsetting the positive impact of these assets were losses on positions that reflected expectations of higher Japanese government-bond yields.

The Fund benefited from allocations to Romania and Mexican sovereign bonds, while holdings betting on a decline in Italian sovereign bonds were a negative. A preference for long-term corporate bonds was a positive for returns, especially for issuers with stable earnings in a variety of economic environments, though a small overweight position in Samhällsbyggnadsbolaget i Norden, a Scandinavian property company known as SBB, was a negative.

Currency positions had a negative impact on performance, with the main negatives being bets that the Japanese yen and the Norwegian krone would rise and that the U.K. pound would fall. The impact of these investment decisions was offset by some other smaller emerging-market foreign-exchange positions.

Portfolio turnover is normally high for this Fund, as the sub-advisor attempts to generate better returns through active security selection.

Recent Developments

Global corporate bond yields are close to their highest level since 2009 and may be close to their peak. The sub-advisor would highlight that the lagged impact of previous rate hikes means that prospects for economic growth are very uncertain.

Financial markets are already reflecting slower growth ahead, but a sharper-than-expected downturn would likely hurt returns on corporate bonds as the premiums required by investors to hold them would likely rise. In this scenario, however, government bond yields would likely move lower and so offset some of this negative impact, as the market would move to price in interest-rate cuts. Such developments could mean that the Fund's focus shifts from investments that benefited from rising bond yields to one where the sub-advisor looks to take advantage of changes in the overall macroeconomic environment.

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

Effective January 1, 2023, Suromitra Sanatani was appointed as Chair of the Independent Review Committee ("the IRC"). Effective February 1, 2023, Joanne Vézina was appointed as a member of the IRC. Effective March 1, 2023, Enrique Cuyegkeng was appointed as a member of the IRC.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund. Both the management fee and fixed administration fee are calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. RBC GAM, as trustee, earns a fee, which is paid by the manager from the fixed administration fee paid by the Fund.



RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders switch between series of funds denominated in different currencies. The Fund also maintains bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Sub-Advisors

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

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or may distribute certain series of units of, the Fund. Dealers may receive an ongoing commission based on the total value of their clients' investment in certain series of units of the Fund.

Registrars

RBC GAM, RBC Investor Services Trust ("RBC IS") or Royal Bank (or a combination thereof) are the registrars of the Fund and keep records of who owns units of the Fund. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

Custodian

RBC IS is the custodian and holds the assets of the Fund. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Fund.

Securities Lending Agent

To the extent the Fund may engage in securities lending transactions, RBC IS may act as the Fund's securities lending agent. Any revenue earned on such securities lending is split between the Fund and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity 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 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												
June 30, 2023	8.82	0.11	(0.08)	(0.33)	0.29	(0.01)	(0.08)	–	–	–	(0.08)	8.73
Dec. 31, 2022	9.78	0.58	(0.16)	0.50	(0.71)	0.21	(1.25)	–	–	–	(1.25)	8.82
Dec. 31, 2021	10.35	0.34	(0.17)	0.31	(0.55)	(0.07)	(0.23)	–	(0.30)	–	(0.53)	9.78
Dec. 31, 2020 ³	10.00 [†]	0.21	(0.06)	0.06	–	0.21	–	–	(0.01)	–	(0.01)	10.35
Series F												
June 30, 2023	8.85	0.11	(0.04)	(0.33)	0.27	0.01	(0.10)	–	–	–	(0.10)	8.78
Dec. 31, 2022	9.81	0.56	(0.08)	0.49	(0.63)	0.34	(1.34)	–	–	–	(1.34)	8.85
Dec. 31, 2021	10.36	0.33	(0.09)	0.30	(0.65)	(0.11)	(0.27)	–	(0.31)	–	(0.58)	9.81
Dec. 31, 2020 ³	10.00 [†]	1.64	(0.03)	0.44	(1.93)	0.12	(0.01)	–	(0.01)	–	(0.02)	10.36
Series O												
June 30, 2023	8.88	0.11	–	(0.33)	0.28	0.06	(0.12)	–	–	–	(0.12)	8.83
Dec. 31, 2022	9.85	0.54	(0.01)	0.47	(0.49)	0.51	(1.41)	–	–	–	(1.41)	8.88
Dec. 31, 2021	10.35	0.34	(0.01)	0.31	(0.56)	0.08	(0.31)	–	(0.31)	–	(0.62)	9.85
Dec. 31, 2020 ³	10.00 [†]	0.03	–	0.01	0.52	0.56	(0.02)	–	(0.01)	–	(0.03)	10.35

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 16, 2020.

[†] Initial offering net asset value per unit.

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							
June 30, 2023	8.73	647	74	1.71	1.71	117.35	–
Dec. 31, 2022	8.82	664	75	1.73	1.73	110.15	–
Dec. 31, 2021	9.78	1 277	131	1.63	1.63	101.88	–
Dec. 31, 2020 ⁴	10.35	532	51	1.63	1.63	13.21	–
Series F							
June 30, 2023	8.78	39 830	4 540	0.88	0.88	117.35	–
Dec. 31, 2022	8.85	39 310	4 444	0.88	0.88	110.15	–
Dec. 31, 2021	9.81	31 799	3 241	0.84	0.84	101.88	–
Dec. 31, 2020 ⁴	10.36	81	8	0.84	0.84	13.21	–



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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2023	8.83	1 397 969	158 369	0.06	0.06	117.35	—
Dec. 31, 2022	8.88	1 322 623	148 914	0.06	0.06	110.15	—
Dec. 31, 2021	9.85	930 919	94 537	0.05	0.05	101.88	—
Dec. 31, 2020 ⁴	10.35	451 806	43 649	0.06	0.06	13.21	—

¹ The management expense ratio ("MER") is based on the direct expenses charged to the Fund and the Fund's proportionate share of the expenses of underlying funds, if any, for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover rate is not applicable to money market funds.

³ The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and the Fund's proportionate share of such costs of underlying funds expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From September 16, 2020.

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 F	0.75%	—	100%	0.05%
Series O	n/a	n/a	n/a	0.05%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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



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 A, Series F and Series O units have been available for sale to unitholders since October 28, 2020.

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, 2023.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2023

Investment Mix

	% of Net Asset Value
United States	16.3
Canada	15.1
France	14.4
Netherlands	8.4
Germany	6.3
Romania	4.3
United Kingdom	4.1
Mexico	3.6
Italy	2.8
South Africa	2.4
Switzerland	2.0
Ireland	2.0
Spain	1.7
Japan	1.3
Other Countries	4.8
Cash/Other	10.5

Top 25 Holdings

	% of Net Asset Value
Canadian Government Bond 0.500% Nov 01, 2023	14.7
Cash & Cash Equivalents	9.7
Republic of South Africa Government Bond 8.500% Jan 31, 2037	2.4
Mexico Government International Bond 4.000% Mar 15, 2115	1.9
Bundesrepublik Deutschland Bundesanleihe 0.000% Aug 15, 2030	1.7
iliad S.A. 0.750% Feb 11, 2024	1.6
ABN AMRO Bank N.V. 3.750% Apr 20, 2025	1.5
Air Lease Corp. 0.700% Feb 15, 2024	1.3
Coloplast Finance BV 4.138% May 19, 2024	1.3
AT&T Inc. 0.900% Mar 25, 2024	1.3
BPCE S.A. 4.500% Jan 13, 2033	1.1
AT&T Inc. 3.550% Nov 18, 2025	1.1
Wells Fargo & Co. 3.184% Feb 08, 2024	1.0
Mexican Bonos 7.750% May 29, 2031	1.0
UBS Group AG 3.250% Apr 02, 2026	1.0
Traton Finance Luxembourg S.A. 0.125% Mar 24, 2025	0.9
BNP Paribas S.A. 4.125% May 24, 2033	0.9
Avolon Holdings Funding Ltd. 2.125% Feb 21, 2026	0.9
ING Groep N.V. 4.750% May 23, 2034	0.8
Romanian Government International Bond 2.625% Dec 02, 2040	0.8
Banque Federative du Credit Mutuel S.A. 4.125% Jun 14, 2033	0.8
BNP Paribas S.A. 1.375% May 28, 2029	0.8
BNP Paribas S.A. 3.875% Feb 23, 2029	0.7
Holding d'Infrastructures de Transport SASU 4.250% Mar 18, 2030	0.7
DAE Funding LLC 1.550% Aug 01, 2024	0.7
Top 25 Holdings	50.6

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