FIXED-INCOME ETF

RBC PH&N SHORT TERM CANADIAN BOND ETF

March 31, 2023

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on May 10, 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 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 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.sedar.com. 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.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with regular monthly income with the potential for modest capital growth by investing primarily in a well-diversified portfolio of short-term fixed-income securities issued by Canadian corporations and governments.

The ETF invests primarily in an actively managed portfolio of high-quality, short-duration Canadian corporate and government bonds, treasury bills and term deposits. Fixed-income securities are selected on the basis of the portfolio manager's assessment of each security's key characteristics including term to maturity, credit quality, yield to maturity and duration, with consideration given to issuer diversification, in order to build a diversified portfolio with competitive risk-adjusted rates of return.

Results of Operations

The ETF's net asset value was $36 million as of March 31, 2023.

Over the past six months, the ETF's units gained 2.7%. The ETF'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 the ETF.

Canadian short-term bonds recorded gains during the period amid a decline in bond yields, which move in the opposite direction as bond prices. Government-bond yields were volatile over the six months as investors weighed the impact of central banks' fight against inflation versus a worsening outlook for economic growth. Bond yields declined significantly in March, following turmoil in the U.S. and European banking industries, which raised fears of a looming recession.

The ETF's returns were aided by investment decisions involving the portfolio's sensitivity to changes in interest rates and by the portfolio manager's continued preference for high-quality corporate bonds, which offer greater yields than Government of Canada bonds.

Recent Developments

The portfolio manager is proceeding with caution in the current environment. One reflection of this thinking is a decision to gradually upgrade the quality of the portfolio by taking profits on many positions that have performed well and reallocating that exposure to investments offering a greater degree of safety to help insulate the ETF from market shifts. As a result, the portfolio manager believes the ETF is well-positioned to withstand a potential economic slowdown, as recession risk remains elevated.

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.

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 six months (noted by March 31, 2023), and for the past five financial years or for the periods since inception. This information is derived from the ETF's unaudited interim financial statements and 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
Mar. 31, 2023	**19.26**	**0.28**	**(0.04)**	**(0.15)**	**0.42**	**0.51**	**(0.24)**	**–**	**–**	**–**	**(0.24)**	**19.53**
Sept. 30, 2022	20.53	0.44	(0.08)	(0.62)	(0.62)	(0.88)	(0.27)	–	(0.19)	–	(0.46)	19.26
Sept. 30, 2021	20.81	0.29	(0.08)	0.20	(0.43)	(0.02)	(0.26)	–	(0.30)	(0.01)	(0.57)	20.53
Sept. 30, 2020[3]	20.01	0.34	(0.06)	0.29	0.51	1.08	(0.31)	–	–	–	(0.31)	20.81
Dec. 31, 2019	19.85	0.48	(0.08)	0.35	(0.03)	0.72	(0.42)	–	(0.24)	–	(0.66)	20.01
Dec. 31, 2018	19.93	0.49	(0.08)	(0.10)	0.13	0.44	(0.37)	–	–	–	(0.37)	19.85

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 ($000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%)[1]	MER Before Absorption (%)[1]	Trading Expense Ratio (%)[2]	Portfolio Turnover Rate (%)[3]	Net Asset Value Per Unit ($)	Closing Market Price ($)
Mar. 31, 2023	**36 136**	**1 850**	**0.39**	**0.39**	**–**	**93.51**	**19.53**	**19.54**
Sept. 30, 2022	37 556	1 950	0.39	0.39	–	229.29	19.26	19.25
Sept. 30, 2021	49 268	2 400	0.39	0.39	–	199.53	20.53	20.51
Sept. 30, 2020[4]	45 775	2 200	0.39	0.39	–	172.85	20.81	20.80
Dec. 31, 2019	41 013	2 050	0.39	0.39	–	212.21	20.01	20.03
Dec. 31, 2018	65 508	3 300	0.39	0.39	–	326.97	19.85	19.95

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 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.

3 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.

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.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

	Management Fees
RBC PH&N Short Term Canadian Bond ETF	0.35%

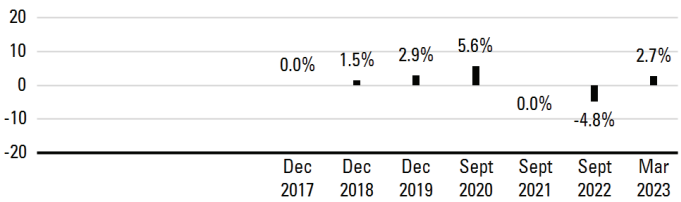
March 31, 2023

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 or interim period.



The ETF's units have been available for sale to unitholders since October 19, 2017.

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, the nine-month period ended September 30, 2020, the 12-month periods ended September 30, 2021 and 2022 and the six-month period ended March 31, 2023.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)
As at March 31, 2023

Investment Mix

	% of Net Asset Value
Corporate Bonds	46.3
Federal Bonds	29.7
International Bonds	7.1
Provincial Bonds	5.1
Mortage-Backed Securities	3.1
Cash/Other	8.7

Top 25 Holdings

	% of Net Asset Value
Canadian Government Bond 3.500% Mar 01, 2028	14.0
Cash & Cash Equivalents	8.2
Canada Housing Trust No. 1 1.250% Jun 15, 2026	3.2
Canadian Government Bond 3.750% May 01, 2025	3.2
Province of Quebec 2.750% Sep 01, 2027	3.1
Enbridge Pipelines Inc. 3.790% Aug 17, 2023	2.9
Canada Housing Trust No. 1 1.550% Dec 15, 2026	2.7
Canada Housing Trust No. 1 0.950% Jun 15, 2025	2.6
Bank of Montreal 2.850% Mar 06, 2024	2.5
Bank of America Corp. 3.615% Mar 16, 2028	2.1
AIMCo Realty Investors LP 2.266% Jun 26, 2024	2.0
Brookfield Renewable Partners ULC 3.752% Jun 02, 2025	1.9
Royal Bank of Canada 3.369% Sep 29, 2025	1.7
Hydro One Inc. 2.540% Apr 05, 2024	1.7
Royal Bank of Canada 2.352% Jul 02, 2024	1.6
Toronto-Dominion Bank 2.667% Sep 09, 2025	1.4
Ontario Power Generation Inc. 2.893% Apr 08, 2025	1.4
AT&T Inc. 4.000% Nov 25, 2025	1.4
Toronto-Dominion Bank 2.496% Dec 02, 2024	1.4
TransCanada PipeLines Ltd. 3.690% Jul 19, 2023	1.2
Canadian Pacific Railway Co. 1.589% Nov 24, 2023	1.1
National Housing Act MBS (97515148) 1.800% Sep 01, 2024	1.1
National Housing Act MBS (97515401) 1.890% Oct 01, 2024	1.1
Canadian Government Bond 2.750% Sep 01, 2027	1.0
Bruce Power LP 2.680% Dec 21, 2028	1.0
Top 25 Holdings	65.5

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.