



FIXED-INCOME ETF

RBC TARGET 2029 CORPORATE BOND INDEX 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.



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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 2029 Maturity Corporate Bond Index*. The FTSE Canada 2029 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 2029.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2029 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

Results of Operations

The ETF was launched on October 20, 2022, and its net asset value was \$6 million as of March 31, 2023. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

Many investors believe that the Bank of Canada (the “BOC”) and U.S. Federal Reserve are approaching the end of the current round of interest-rate hikes, and that the central banks may begin cutting rates by the end of this year to deal with stress in the banking system and an economic recession. The portfolio manager disagrees, believing that both central banks are likely to leave rates unchanged through the end of 2023. The BOC, in fact, may be forced to hike its benchmark rate one more time by the end of the summer due to the risk of sticky inflation, a strong labour market and a robust domestic and global economic expansion.

The portfolio manager notes that bond-default rates remain low and valuations are cheap on a historical basis. Given the current level of corporate-bond yields and attractive valuations, returns are likely to stay positive over the next six months. Investors should continue to expect elevated volatility as the impact of higher rates and monetary tightening filters through to the economy and financial system.

* “FTSE Canada 2029 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 2029 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.

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

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.



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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 (\$)

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		
											Total	
Mar. 31, 2023	20.00	0.34	(0.03)	(0.04)	0.38	0.65	(0.25)	—	—	—	(0.25)	20.99
Sept. 30, 2022 ³	20.00 [†]	—	—	—	—	—	—	—	—	—	—	20.00

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 From August 23, 2022.

[†] Initial offering net asset value per unit.

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	6 297	300	0.30	0.30	—	29.32	20.99	20.94
Sept. 30, 2022⁴	—	—	0.28	0.28	—	—	—	—

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 From August 23, 2022.

Effective April 13, 2023, the management fees will be reduced to 0.20% from 0.25%. If the changes to the management fees would have been in effect throughout the financial period ended March 31, 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 0.25% annually, before GST/HST, of the daily net asset value of the ETF.

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



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PAST PERFORMANCE

Investment performance in respect of an ETF that has been available for less than one year is not provided. The ETF was launched October 20, 2022.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2023

Investment Mix

	% of Net Asset Value
Corporate Bonds	51.4
Provincial Bonds	47.7
Cash/Other	0.9

Top 25 Holdings*

	% of Net Asset Value
Province of Manitoba 2.750% Jun 02, 2029	9.6
Province of Alberta 2.900% Sep 20, 2029	9.5
Province of British Columbia 5.700% Jun 18, 2029	9.4
Enbridge Inc. 2.990% Oct 03, 2029	7.1
Province of Ontario 2.700% Jun 02, 2029	6.6
Province of Quebec 2.300% Sep 01, 2029	6.6
Brookfield Infrastructure Finance ULC 3.410% Oct 09, 2029	5.1
Sun Life Financial Inc. 4.780% Aug 10, 2034, FRN	5.0
Pembina Pipeline Corp. 3.620% Apr 03, 2029	4.8
North West Redwater Partnership / NWR Financing Co. Ltd. 4.250% Jun 01, 2029	4.3
AIMCo Realty Investors LP 2.712% Jun 01, 2029	4.2
Hydro One Inc. 3.020% Apr 05, 2029	4.1
Ontario Power Generation Inc. 2.977% Sep 13, 2029	3.6
Gibson Energy Inc. 3.600% Sep 17, 2029	3.6
Shaw Communications Inc. 3.300% Dec 10, 2029	3.6
Province of Ontario 1.550% Nov 01, 2029	3.0
Province of Quebec 6.000% Oct 01, 2029	2.9
Enbridge Gas Inc. 2.370% Aug 09, 2029	2.8
Canadian National Railway Co. 3.000% Feb 08, 2029	2.6
Rogers Communications Inc. 3.250% May 01, 2029	0.7
Cash & Cash Equivalents	0.9
Total	100.0

* The ETF holds fewer than 25 holdings.

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.