FIXED-INCOME ETF

RBC U.S. DISCOUNT BOND ETF

March 31, 2024

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on May 9, 2024.

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.sedarplus.ca. 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 unitholders with exposure to the performance of a diversified portfolio of primarily short-term fixed-income securities issued in the U.S. market by U.S. governments and U.S. and foreign corporations which at the time of purchase are trading below the weighted average price of the universe of U.S. short-term bonds to provide regular income while preserving capital.

The ETF invests in an actively managed portfolio of primarily short-term bonds issued in the U.S. market by U.S. governments and U.S. and foreign corporations which at the time of purchase are trading below the weighted average price of the universe of U.S. short-term bonds, with an emphasis on bonds which are trading at a price below par. Securities will be selected by the sub-advisor for the ETF's portfolio using an investment approach that considers key characteristics, including term to maturity, credit quality, yield to maturity and duration, while also considering issuer diversification within the portfolio.

Results of Operations

The ETF was launched on May 18, 2023, and its net asset value was $67 million as of March 31, 2024. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

The U.S. Federal Reserve ("the Fed") has indicated that it's finished with its current round of interest-rate hikes and that three rate cuts are likely coming in 2024, with the first reduction as early as June. Before proceeding, however, the Fed will have to be comfortable that inflation is continuing to fall toward the targeted 2%. As a result, bond yields are likely to stay range-bound in the near term, in the view of the sub-advisor, and could even rise modestly if inflation remains sticky.

Bond-default rates are rising for high-yield bonds but remain low for investment-grade securities. The premiums offered by corporate bonds relative to government securities has fallen toward lows on a historical basis, due in part to the relatively attractive yields available on non-government securities as well as healthy corporate profits. The drop in the premium yield offered by corporate bonds has made Treasuries more attractive, in the view of the sub-advisor, and while the ETF continues to hold an overweight position in corporate bonds, the ETF is maintaining a preference for higher-quality fixed income.

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.

Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the ETF. The sub-advisor earns a fee which is calculated and accrued daily as a percentage of the net asset value of the ETF. The sub-advisor is paid by the manager from the management fee paid by the ETF.

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.

March 31, 2024

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, 2024), 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
CAD Units												
Mar. 31, 2024	**19.69**	**0.19**	**(0.03)**	**0.08**	**0.30**	**0.54**	**(0.19)**	**–**	**–**	**–**	**(0.19)**	**20.24**
Sept. 30, 2023[3]	20.00†	0.11	(0.02)	(0.05)	(0.10)	(0.06)	(0.15)	–	–	–	(0.15)	19.69
USD Units*												
Mar. 31, 2024	**14.56**	**0.14**	**(0.02)**	**0.06**	**0.24**	**0.42**	**(0.14)**	**–**	**–**	**–**	**(0.14)**	**14.95**
Sept. 30, 2023[3]	14.78†	0.08	(0.01)	(0.04)	0.10	0.13	(0.11)	–	–	–	(0.11)	14.56

[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 April 20, 2023.
* Stated in U.S. dollars.
† Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit ($)	Net Asset Value ($000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%)[1]	MER Before Absorption (%)[1]	Portfolio Turnover Rate (%)[2]	Trading Expense Ratio (%)[3]	Closing Market Price ($)
CAD Units								
Mar. 31, 2024	**20.24**	**39,462**	**1,950**	**0.29**	**0.29**	**69.13**	**–**	**20.38**
Sept. 30, 2023[4]	19.69	4,922	250	0.33	0.33	149.12	–	19.76
USD Units*								
Mar. 31, 2024	**14.95**	**20,188**	**1,350**	**0.29**	**0.29**	**69.13**	**–**	**14.98**
Sept. 30, 2023[4]	14.56	6,553	450	0.33	0.33	149.12	–	14.62

[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 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.
[3] 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.
[4] From April 20, 2023.
* Stated in U.S. dollars.

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 the following annual percentages, before GST/HST, of the daily net asset value of the class of the ETF.

	Management Fees
CAD Units	0.25%
USD Units	0.25%

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 May 18, 2023.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)
As at March 31, 2024

Investment Mix

	% of Net Asset Value
United States	87.9
Canada	4.0
United Kingdom	3.0
Japan	2.1
Australia	1.1
Switzerland	0.6
Netherlands	0.5
Cash/Other	0.8

Top 25 Holdings

	% of Net Asset Value
United States Treasury Note 1.250% Apr 30, 2028	8.4
United States Treasury Note 0.375% Jan 31, 2026	8.3
United States Treasury Note 0.500% Oct 31, 2027	5.0
United States Treasury Note 0.375% Apr 30, 2025	4.5
United States Treasury Note 0.500% May 31, 2027	3.5
United States Treasury Note 1.375% Oct 31, 2028	3.3
United States Treasury Note 1.875% Feb 28, 2029	3.1
Barclays Plc. 2.279% Nov 24, 2027	1.1
Bank of Montreal 0.949% Jan 22, 2027	1.0
Citigroup Inc. 1.122% Jan 28, 2027	1.0
Mitsubishi UFJ Financial Group Inc. 3.195% Jul 18, 2029	1.0
J.P. Morgan Chase & Co. 2.947% Feb 24, 2028	0.8
Wells Fargo & Co. 2.188% Apr 30, 2026	0.8
Bank of America Corp. 1.319% Jun 19, 2026	0.8
Morgan Stanley 3.772% Jan 24, 2029	0.8
Cisco Systems Inc. 2.500% Sep 20, 2026	0.8
Goldman Sachs Group Inc. 3.814% Apr 23, 2029	0.8
Texas Instruments Inc. 2.900% Nov 03, 2027	0.8
Visa Inc. 2.750% Sep 15, 2027	0.8
J.P. Morgan Chase & Co. 1.045% Nov 19, 2026	0.7
Goldman Sachs Group Inc. 1.093% Dec 09, 2026	0.7
Toronto-Dominion Bank 1.200% Jun 03, 2026	0.7
Wells Fargo & Co. 2.393% Jun 02, 2028	0.7
J.P. Morgan Chase & Co. 2.069% Jun 01, 2029	0.7
Bank of America Corp. 2.087% Jun 14, 2029	0.7
Top 25 Holdings	50.8

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.