



Global Asset
Management

Annual Financial Statements BlueBay High Income Credit Fund 2022 to 2025

These annual financial statements of the BlueBay High Income Credit Fund since its inception in 2022 are provided pursuant to exemptive relief obtained by RBC Global Asset Management Inc. on April 23, 2026. Copies of these annual financial statements are available to investors upon request.

The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the funds (the "Funds") whose financial statements accompany this letter. With the exception of the RBC Vision Fossil Fuel Free Global Equity Fund LP, the financial statements of which were approved by its General Partner, GAM Fund GP Inc., these financial statements were approved by the Board of Directors of RBC GAM. We are responsible for the information contained within these financial statements.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in compliance with IFRS Accounting Standards (and they include certain amounts that are based on estimates and judgments). The material accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, have performed an independent audit of the financial statements in accordance with Canadian Auditing Standards. Their report is set out on the next page.



Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

March 5, 2026



Heidi Johnston, CPA, CA
Chief Financial Officer
RBC GAM Funds

To the Unitholders and Trustee, or Partners, as applicable of

Phillips, Hager & North Institutional S.T.I.F.	Phillips, Hager & North PRisM Long Corporate Bond Trust	BlueBay Event Driven Credit Fund (Canada)
Phillips, Hager & North Short Investment Grade Corporate Bond Trust	Phillips, Hager & North Long Mortgage Pension Trust	BlueBay High Income Credit Fund <i>(formerly, BlueBay High Yield Asset-Backed Credit Fund (Canada))</i>
Phillips, Hager & North Short Core Plus Bond Fund	Phillips, Hager & North Conventional Plus Mortgage Fund	BlueBay Emerging Markets Short Duration Bond Fund (Canada)
Phillips, Hager & North Municipal Plus Bond Fund	Phillips, Hager & North High Yield Mortgage Fund	BlueBay High Grade CLO Fund (CAD Hedged)
Phillips, Hager & North Mortgage Pension Trust	Phillips, Hager & North Infrastructure Debt Fund	BlueBay EM Sovereign Bond Fund
BlueBay CMBS Opportunities Fund (Canada)	Phillips, Hager & North Long Bond Pension Trust	Phillips, Hager & North PRisM Balanced Fund
RBC Commercial Mortgage Fund	Phillips, Hager & North Enhanced Long Bond Pension Trust	Phillips, Hager & North Enhanced Long Government Bond Fund
RBC Vision Future Solutions Bond Fund	Phillips, Hager & North Long Private Placement Corporate Debt Fund	Phillips, Hager & North Enhanced PRisM Long Fund
Phillips, Hager & North Investment Grade Corporate Bond Trust	Phillips, Hager & North Long Core Plus Bond Fund	Phillips, Hager & North Absolute Return Fund
Phillips, Hager & North U.S. Investment Grade Corporate Bond Trust (CAD Hedged)	Phillips, Hager & North PRisM – Mid	RBC Multi-Strategy Alpha Fund
Phillips, Hager & North PRisM – Short	Phillips, Hager & North PRisM – Long	Phillips, Hager & North Long/Short Canadian Equity Fund
Phillips, Hager & North Enhanced Total Return Bond Fund	Phillips, Hager & North 20+ Strip Fund	RBC Fundamental Minimum Volatility Canadian Equity Fund
Phillips, Hager & North Corporate Bond Trust	Phillips, Hager & North Custom Interest Rate Overlay Fund	Phillips, Hager & North Institutional Gold & Precious Metals Fund
Phillips, Hager & North Enhanced Corporate Bond Trust	Phillips, Hager & North Custom Universe Provincial Spread Overlay Fund I	RBC Canadian Preferred Share Fund
Phillips, Hager & North Private Placement Corporate Debt Fund	Phillips, Hager & North Custom Universe Provincial Spread Overlay Fund II	RBC Long/Short North American Equity Fund
Phillips, Hager & North Core Plus Bond Fund	Canadian Custom Long Term Fixed Income Fund	RBC Alpha Plus U.S. Equity Fund
Phillips, Hager & North Multi-Strategy Credit Fund	Phillips, Hager & North Synthetic Floating Rate Fund	RBC QUBE Stable Dividend Global Equity Fund (CAD Hedged)
Phillips, Hager & North Long Municipal Plus Bond Fund	Phillips, Hager & North PRisM Levered Government Bond Fund	RBC Global Equity Focus Pension Trust
Phillips, Hager & North Long Investment Grade Corporate Bond Trust	BlueBay Total Return Credit Fund (Canada)	RBC Vision QUBE Global Equity Fund <i>(formerly, RBC QUBE Custom Global Equity Fund)</i>
Phillips, Hager & North Long Corporate Bond Trust	BlueBay Total Return Credit Fossil Fuel Exclusions Fund (Canada)	RBC Vision Fossil Fuel Free Global Equity Fund LP (individually, a Fund)

Our opinion

In our opinion, the accompanying December 31, 2025 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 2 in accordance with IFRS Accounting Standards.

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 2;
- the statements of comprehensive income for the periods indicated in note 2;
- the statements of cash flow for the periods indicated in note 2;
- the statements of changes in net assets attributable to holders of redeemable units (NAV) for the periods indicated in note 2; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 12, 2026



SCHEDULE OF INVESTMENT PORTFOLIO (in \$000s)
BLUEBAY HIGH INCOME CREDIT FUND

formerly, BlueBay High Yield Asset-Backed Credit Fund (Canada)

December 31, 2025

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
COLLATERALIZED LOAN OBLIGATIONS				
AB Carval Euro CLO I-C DAC 4.615% Jul 25, 2038 EUR	500	801	810	
Anchorage Capital Europe CLO 2 DAC 4.497% Mar 30, 2038 EUR	500	806	810	
Arini European CLO VI DAC 5.527% Jul 15, 2039 EUR	750	1,198	1,218	
Avoca CLO XIV DAC 5.272% Jul 15, 2039 EUR	500	783	812	
Barrow Hanley CLO II Ltd. 5.194% Mar 31, 2038 USD	1,000	1,402	1,376	
Barrow Hanley CLO II Ltd. 5.934% Mar 31, 2038 USD	750	1,052	1,031	
Barrow Hanley CLO III Ltd. 8.034% Apr 20, 2037 USD	1,000	1,414	1,385	
Blackrock European CLO XVI DAC 10.300% Jan 15, 2039 EUR	500	802	802	
Carlyle U.S. CLO 2024-1 Ltd. 10.825% Apr 15, 2037 USD	1,000	1,395	1,390	
Contego CLO XII DAC 4.477% Jan 25, 2040 EUR	500	810	810	
Elm Park CLO DAC 4.418% Jan 15, 2038 EUR	500	813	808	
Fortress Credit Europe BSL 2024-1 DAC 5.744% Jan 20, 2038 EUR	500	750	817	
Grosvenor Place CLO 2025-4 DAC 4.608% Aug 15, 2039 EUR	500	805	807	
Grosvenor Place CLO 2025-4 DAC 5.608% Aug 15, 2039 EUR	500	805	807	
ICG U.S. CLO 2025-2 Ltd. 5.756% Jan 18, 2039 USD	500	699	687	
Nassau 2021-I Ltd. 7.505% Aug 26, 2034 USD	750	1,075	1,031	
Nassau Euro CLO III DAC 4.459% Oct 15, 2039 EUR	500	804	809	
NGC 2024-I Ltd. 12.614% Jul 20, 2037 USD	1,000	1,340	1,396	
Pikes Peak CLO 5 10.784% Oct 20, 2037 USD	1,000	1,399	1,393	
Polen Capital CLO 2025-1 Ltd. 8.134% Mar 06, 2038 USD	1,000	1,430	1,375	
Polen Capital CLO 2025-2 Ltd. 5.040% Jan 20, 2039 USD	1,000	1,403	1,373	
Polen Capital CLO 2025-2 Ltd. 5.710% Jan 20, 2039 USD	500	702	687	
Regatta XXII Funding Ltd. 4.933% Jan 15, 2039 USD	1,000	1,378	1,373	
Signal Harmonic CLO II DAC 5.409% Oct 15, 2038 EUR	450	657	731	
Sycamore Tree CLO 2023-3 Ltd. 8.134% Apr 20, 2037 USD	750	1,059	1,034	
Tikehau U.S. CLO IV Ltd. 8.008% Mar 15, 2038 USD	750	1,037	1,035	
Tikehau U.S. CLO IV Ltd. 11.698% Mar 15, 2038 USD	500	670	690	
Trinitas CLO XXIV Ltd. 7.958% Apr 25, 2037 USD	500	672	692	
TOTAL COLLATERALIZED LOAN OBLIGATIONS		27,961	27,989	70.3
MORTGAGE-BACKED SECURITIES				
Balboa Bay Loan Funding 2025-2 Ltd. 4.981% Jan 20, 2039 USD	500	705	687	
Bellemeade Re 2025-1 Ltd. 5.424% Oct 25, 2035 USD	297	419	408	
BX Commercial Mortgage Trust 2024-XL4X 7.451% Feb 15, 2039 USD	464	625	640	
BX Trust 6.390% Dec 09, 2040 USD	1,432	1,942	1,974	
Dowson 2025-1 Plc. 6.731% Dec 20, 2032 GBP	500	927	926	
Fairbridge 2025-1 B.V. 6.323% Feb 24, 2062 EUR	500	796	793	
FCT Noria 2025 4.644% Jul 25, 2043 EUR	500	799	812	
GS Mortgage Securities Corp. II 6.071% Sep 10, 2038 USD	1,000	1,282	1,374	
Latitude Australia Personal Loans Series 2025-1 Trust 6.958% Sep 17, 2033 AUD	910	821	843	
Reach ABS Trust 2025-1 7.750% Aug 16, 2032 USD	200	286	282	
Satus 2024-1 Plc. 9.165% Jan 17, 2031 GBP	180	332	332	
SWCH Commercial Mortgage Trust 2025-DATA 7.989% Feb 15, 2042 USD	1,000	1,428	1,363	
TOTAL MORTGAGE-BACKED SECURITIES		10,362	10,434	26.2
TOTAL INVESTMENTS		38,323	38,423	96.5
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		—	723	1.8
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		—	(186)	(0.5)
TOTAL PORTFOLIO		38,323	38,960	97.8
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			842	2.2
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			39,802	100.0



SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 2,237 Sold USD 1,600 @ 1.3712	22-Jan-2026	43
Bought CAD 1,067 Sold EUR 650 @ 1.6131	22-Jan-2026	18
Bought CAD 894 Sold EUR 550 @ 1.6131	22-Jan-2026	7
Bought CAD 766 Sold EUR 470 @ 1.6131	22-Jan-2026	8
Bought CAD 37 Sold USD 27 @ 1.3712	22-Jan-2026	1
Bought CAD 1,227 Sold EUR 750 @ 1.6131	22-Jan-2026	16
Bought CAD 52 Sold USD 37 @ 1.3712	22-Jan-2026	1
Bought CAD 814 Sold EUR 500 @ 1.6131	22-Jan-2026	7
Bought CAD 837 Sold GBP 450 @ 1.8482	22-Jan-2026	5
Bought CAD 48 Sold USD 34 @ 1.3712	22-Jan-2026	1
Bought CAD 31 Sold USD 22 @ 1.3712	22-Jan-2026	1
Bought CAD 1,392 Sold USD 1,000 @ 1.3712	22-Jan-2026	20
Bought CAD 41 Sold USD 30 @ 1.3712	22-Jan-2026	-
Bought CAD 1,873 Sold USD 1,350 @ 1.3712	22-Jan-2026	22
Bought CAD 16,075 Sold EUR 9,797 @ 1.6131	22-Jan-2026	271
Bought CAD 812 Sold EUR 500 @ 1.6131	22-Jan-2026	4
Bought CAD 20 Sold USD 14 @ 1.3712	22-Jan-2026	-
Bought CAD 100 Sold USD 73 @ 1.3712	22-Jan-2026	-
Bought EUR 1,010 Sold CAD 1,628 @ 1.6131	22-Jan-2026	2
Bought CAD 883 Sold AUD 961 @ 0.9152	22-Jan-2026	3
Bought CAD 46 Sold USD 33 @ 1.3712	22-Jan-2026	1
Bought CAD 67 Sold EUR 41 @ 1.6131	22-Jan-2026	1
Bought CAD 78 Sold USD 56 @ 1.3712	22-Jan-2026	2
Bought AUD 42 Sold CAD 39 @ 0.9152	22-Jan-2026	-
Bought CAD 38 Sold EUR 24 @ 1.6131	22-Jan-2026	1
Bought CAD 21,502 Sold USD 15,482 @ 1.3712	22-Jan-2026	274
Bought CAD 53 Sold USD 38 @ 1.3712	22-Jan-2026	1
Bought CAD 38 Sold EUR 24 @ 1.6131	22-Jan-2026	-
Bought EUR 500 Sold CAD 806 @ 1.6131	22-Jan-2026	1
Bought GBP 34 Sold CAD 63 @ 1.8482	22-Jan-2026	-
Bought CAD 1,037 Sold USD 750 @ 1.3712	22-Jan-2026	8
Bought CAD 1,033 Sold USD 750 @ 1.3712	22-Jan-2026	4
Bought CAD 43 Sold EUR 27 @ 1.6131	22-Jan-2026	-

723

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss (\$)
Bought USD 500 Sold CAD 695 @ 1.3712	22-Jan-2026	(9)
Bought USD 6 Sold CAD 7 @ 1.3712	22-Jan-2026	-
Bought CAD 31 Sold GBP 17 @ 1.8482	22-Jan-2026	-
Bought USD 750 Sold CAD 1,030 @ 1.3712	22-Jan-2026	(1)
Bought CAD 47 Sold USD 35 @ 1.3712	22-Jan-2026	-
Bought CAD 36 Sold USD 27 @ 1.3712	22-Jan-2026	-
Bought USD 750 Sold CAD 1,052 @ 1.3712	22-Jan-2026	(23)
Bought CAD 920 Sold GBP 500 @ 1.8482	22-Jan-2026	(5)
Bought CAD 39 Sold EUR 25 @ 1.6131	22-Jan-2026	-
Bought USD 23 Sold CAD 32 @ 1.3712	22-Jan-2026	(1)
Bought USD 20 Sold CAD 28 @ 1.3712	22-Jan-2026	(1)
Bought EUR 750 Sold CAD 1,230 @ 1.6131	22-Jan-2026	(20)
Bought EUR 1,500 Sold CAD 2,456 @ 1.6131	22-Jan-2026	(36)
Bought USD 500 Sold CAD 700 @ 1.3712	22-Jan-2026	(14)
Bought EUR 25 Sold CAD 41 @ 1.6131	22-Jan-2026	-
Bought USD 1,500 Sold CAD 2,079 @ 1.3712	22-Jan-2026	(22)
Bought GBP 900 Sold CAD 1,667 @ 1.8482	22-Jan-2026	(3)
Bought USD 600 Sold CAD 841 @ 1.3712	22-Jan-2026	(18)
Bought EUR 475 Sold CAD 768 @ 1.6131	22-Jan-2026	(1)
Bought CAD 825 Sold GBP 450 @ 1.8482	22-Jan-2026	(7)
Bought CAD 162 Sold EUR 100 @ 1.6131	22-Jan-2026	-
Bought USD 20 Sold CAD 27 @ 1.3712	22-Jan-2026	-
Bought CAD 368 Sold GBP 200 @ 1.8482	22-Jan-2026	(3)
Bought EUR 1,900 Sold CAD 3,082 @ 1.6131	22-Jan-2026	(16)
Bought CAD 2,085 Sold USD 1,525 @ 1.3712	22-Jan-2026	(6)

(186)

TOTAL FOREIGN EXCHANGE

537

All counterparties have a credit rating of at least A.



Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)

	December 31, 2025	December 31, 2024
ASSETS		
Investments at fair value	\$ 38,423	\$ 36,317
Cash	1,153	1,237
Subscriptions receivable	–	19,000
Margin receivable	–	1,800
Unrealized gain on foreign exchange contracts	723	701
Dividends receivable, interest accrued and other assets	363	389
TOTAL ASSETS	40,662	59,444
LIABILITIES		
Due to investment dealers	–	751
Redemptions payable	–	19,000
Margin payable	670	–
Unrealized loss on foreign exchange contracts	186	2,509
Accounts payable and accrued expenses	4	4
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	860	22,264
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 39,802	\$ 37,180
Investments at cost	\$ 38,323	\$ 34,827
NAV		
SERIES F	\$ 1	\$ 1
SERIES O	\$ 39,801	\$ 37,179
NAV PER UNIT		
SERIES F	\$ 9.81	\$ 9.76
SERIES O	\$ 9.77	\$ 9.76

Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)

	2025	2024
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 2,617	\$ 4,016
Interest expense	–	(19)
Derivative income (loss)	(2,727)	(751)
Net realized gain (loss) on investments	1,910	4,051
Change in unrealized gain (loss) on investments and derivatives	955	(2,012)
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	2,755	5,285
Net gain (loss) on foreign cash balances	(93)	96
TOTAL OTHER INCOME (LOSS)	(93)	96
TOTAL INCOME (LOSS)	2,662	5,381
EXPENSES (see notes – Fund Specific Information)		
Management fees	–	–
Administration fees	38	52
GST/HST	2	8
TOTAL EXPENSES	40	60
INCREASE (DECREASE) IN NAV FROM OPERATIONS	\$ 2,622	\$ 5,321
INCREASE (DECREASE) IN NAV FROM OPERATIONS		
SERIES F	\$ –	\$ –
SERIES O	\$ 2,622	\$ 5,321
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES F	\$ 0.60	\$ 0.97
SERIES O	\$ 0.67	\$ 1.07



Statements of Cash Flow (in \$000s)

For the periods ended December 31 (see note 2 in the generic notes)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV		
from operations	\$ 2,622	\$ 5,321
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Net unrealized foreign exchange (gain) loss		
on cash	–	(9)
Net realized loss (gain) on investments	(1,910)	(4,051)
Change in unrealized loss (gain) on investments and derivatives	(955)	2,012
(Increase) decrease in accrued receivables	26	284
Increase (decrease) in accrued payables	–	(2)
(Increase) decrease in margin accounts	2,470	(242)
Amortization of premium and discounts	–	–
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Cost of investments purchased*	(165,076)	(82,011)
Proceeds from sale and maturity of investments*	162,739	94,462
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(84)	15,764
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	19,000	–
Cash paid on redemption of redeemable units*	(19,000)	(18,000)
Distributions paid to holders of redeemable units	–	–
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ –	\$ (18,000)
Net unrealized foreign exchange gain (loss)		
on cash	–	9
Net increase (decrease) in cash for the period	(84)	(2,236)
Cash (bank overdraft), beginning of period	1,237	3,464
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 1,153	\$ 1,237
Interest received (paid) ^{†§}	\$ 2,625	\$ 4,211
Income from investment trusts received (paid) ^{†‡}	\$ –	\$ –
Dividends received (paid) ^{†‡}	\$ –	\$ –

* Excludes in-kind transactions.

† Classified as part of operating activities.

‡ Net of withholding taxes, if applicable.

§ Includes interest paid of \$0 (2024 – \$22).



Statements of Changes in NAV *(in \$000s)*

For the periods ended December 31 *(see note 2 in the generic notes)*

	Series F		Series O		Total	
	2025	2024	2025	2024	2025	2024
NAV AT BEGINNING OF PERIOD	\$ 1	\$ 1	\$ 37,179	\$ 49,858	\$ 37,180	\$ 49,859
INCREASE (DECREASE) IN NAV						
FROM OPERATIONS						
Early redemption fees	–	–	2,622	5,321	2,622	5,321
Proceeds from redeemable units issued	–	–	–	19,000	–	19,000
Reinvestments of distributions to holders of redeemable units	–	–	2,561	5,381	2,561	5,381
Redemption of redeemable units	–	–	–	(37,000)	–	(37,000)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS						
Distributions from net income	–	–	(2,561)	(5,381)	(2,561)	(5,381)
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS						
	–	–	(2,561)	(5,381)	(2,561)	(5,381)
NET INCREASE (DECREASE) IN NAV						
	–	–	2,622	(12,679)	2,622	(12,679)
NAV AT END OF PERIOD	\$ 1	\$ 1	\$ 39,801	\$ 37,179	\$ 39,802	\$ 37,180



General information (see note 1 in the generic notes)

The Fund seeks to provide returns comprised of interest income and modest capital appreciation by investing primarily in asset-backed credit securities. The Fund may engage in borrowing and/or derivatives for investment purposes.

Financial instrument risk and capital management (see note 5 in the generic notes)

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	December 31, 2025	December 31, 2024
AAA	8.8	23.4
AA	1.4	12.1
A	23.8	14.6
BBB	40.5	36.6
BB	21.0	9.4
B	2.9	–
Unrated	1.6	3.9
Total	100.0	100.0

Concentration risk (%)

The table below summarizes the Fund's investment exposure (after consideration of derivative products, if any) as at:

Investment mix	December 31, 2025	December 31, 2024
Loans	70.3	62.2
Mortgage-Backed Securities	26.2	35.4
Cash/Other	3.5	2.4
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	December 31, 2025	December 31, 2024
Less than 1 year	–	–
1 – 5 years	–	–
5 – 10 years	9.9	16.7
> 10 years	90.1	83.3
Total	100.0	100.0

As at December 31, 2025, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 0.1% (December 31, 2024 – 0.3%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of NAV)

Since the currency risk of the Fund has been hedged using foreign exchange contracts, the Fund has minimal sensitivity to changes in foreign exchange rates.

Fair value hierarchy (\$000s except % amounts) (see note 3 in the generic notes)

The following is a summary of the inputs used as of December 31, 2025 and 2024.

December 31, 2025	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	38,423	–	38,423
Short-term investments	–	–	–	–
Derivatives – assets	–	723	–	723
Derivatives – liabilities	–	(186)	–	(186)
Total financial instruments	–	38,960	–	38,960
% of total portfolio	–	100.0	–	100.0

December 31, 2024	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	36,317	–	36,317
Short-term investments	–	–	–	–
Derivatives – assets	–	701	–	701
Derivatives – liabilities	–	(2,509)	–	(2,509)
Total financial instruments	–	34,509	–	34,509
% of total portfolio	–	100.0	–	100.0

For the periods ended December 31, 2025 and 2024, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



**Management fees and administration fees
(see note 8 in the generic notes)**

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 NAV of each series of the Fund.

	Management fees	Administration fees
Series F	0.90%	0.10%
Series O	n/a*	0.10%

* Series O unitholders pay a negotiated management fee directly to RBC GAM for investment-counselling services.

**Investments by related parties
(\$000s except unit amounts)**

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	December 31, 2025	December 31, 2024
Units held		
Series F	136	128
Series O	1,990,825	1,862,453
Value of all units	19,455	18,170

Taxes (\$000s) (see note 6 in the generic notes)

The non-capital and capital losses for the Fund were approximately:

As at December 31, 2025

Capital losses	515
Non-capital losses	–

Redeemable units (000s)

There is no limitation on the number of units available for issue. The following is a summary of units purchased and redeemed at the NAV per unit for the periods ended:

	December 31, 2025	December 31, 2024
Series F		
Opening units	–	–
Issued number of units	–	–
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	–	–
Series O		
Opening units	3,810	5,005
Issued number of units	–	1,947
Reinvested number of units	263	538
Redeemed number of units	–	(3,680)
Ending number of units	4,073	3,810

**Investments by other related investment funds (%)
(see note 8 in the generic notes)**

The table below summarizes, as a percentage, the NAV of the Fund owned by other related investment funds as at:

	December 31, 2025	December 31, 2024
RBC Multi-Strategy Alpha Fund	51.1	51.1

**Offsetting financial assets and liabilities (\$000s)
(see note 3 in the generic notes)**

The following is a summary of the amounts for which the Fund has a legal right to offset in the event of default, insolvency or bankruptcy. “Net amount” represents the impact to the Fund if all set-off rights were to be exercised.

December 31, 2025	Assets	Liabilities
Gross amounts – assets (liabilities)	723	(186)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	723	(186)
Related amounts not set-off	(18)	18
Collateral (received) pledged	–	–
Net amount	705	(168)

December 31, 2024	Assets	Liabilities
Gross amounts – assets (liabilities)	701	(2,509)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	701	(2,509)
Related amounts not set-off	(130)	130
Collateral (received) pledged	–	–
Net amount	571	(2,379)

December 31, 2025

1. The Funds

The funds, collectively referred to as “Fund” or “Funds,” are open-ended mutual fund trusts governed by the laws of the Province of British Columbia or Ontario and governed by a Master Declaration of Trust other than RBC Vision Fossil Fuel Free Global Equity Fund LP, which is a limited partnership formed under the laws of the Province of Ontario, pursuant to a limited partnership agreement. RBC Global Asset Management Inc. (“RBC GAM”) is the manager, portfolio manager, distributor and one of the registrars of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. RBC GAM is also the trustee of those mutual fund trusts governed by the laws of the Province of Ontario. With the exception of the RBC Vision Fossil Fuel Free Global Equity Fund LP, the financial statements of which were approved by its General Partner, GAM Fund GP Inc. on March 5, 2026, these financial statements were approved for issuance by the Board of Directors of RBC GAM on March 5, 2026.

The Funds may issue an unlimited number of units in some or all of Series A, Series I, Series N, Series F, Series O, Series OL and Series P.

Series A, Series I, Series F, Series O and Series OL units are only available to large private or institutional investors as may be determined from time to time on a case-by-case basis. Series N and Series P units are only available to related funds. Series O and Series OL units may only be purchased, switched or redeemed through RBC GAM or in certain circumstances, Phillips, Hager & North Investment Funds Ltd.

RBC Vision Fossil Fuel Free Global Equity Fund LP is divided into one general partner unit, representing the interest in the Fund held by its General Partner, and Series O units representing interests in the Fund held by its limited partner unitholders. “Redeemable units” for this Fund means redeemable partnership units.

2. Financial year

The Statements of Financial Position are prepared as at December 31, 2025 and December 31, 2024, as applicable, and the Statements of Comprehensive Income, Statements of Cash Flow, and Statements of Changes in NAV are prepared for the years ended December 31, 2025 and December 31, 2024, except for those Funds established during either year, in which case, the information is

presented from the start date as described in the Notes to Financial Statements – Fund Specific Information to December 31 of that year.

3. Material accounting policy information

These financial statements have been prepared in accordance with IFRS Accounting Standards. The material accounting policy information of the Funds is as follows:

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the Funds classifies its investment portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets and liabilities is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds’ debt securities that are solely principal and interest are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model objectives. Consequently, all investments are measured at fair value through profit and loss (“FVTPL”). Derivative assets and liabilities are also measured at FVTPL.

The Funds’ obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost, which approximates fair value given their short-term nature.

Offsetting Financial Assets and Liabilities In the normal course of business, the Funds may enter into various International Swaps and Derivatives Association master netting agreements or other similar arrangements with certain counterparties that allow for related amounts to be offset in certain circumstances, such as bankruptcy or termination of contracts. Offsetting information, where applicable, is presented in the Notes to Financial Statements – Fund Specific Information.

Collateral received represents amounts held by a counterparty or custodian on behalf of the Funds and can be in the form of securities and cash. Cash received as collateral is included in the Statements of Financial Position, whereas securities received are not included. Collateral pledged represents amounts held by the Funds’ custodian/counterparty on behalf of the counterparty and

December 31, 2025

can be in the form of cash and securities. Cash pledged as collateral is included in the Statements of Financial Position, while securities pledged as collateral are identified on the respective Fund's Schedule of Investment Portfolio.

Classification of Redeemable Units The Funds have multiple features across the different series of the Funds. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

Unconsolidated Structured Entities The Funds may invest in other Funds and exchange-traded funds ("ETFs") managed by the manager or an affiliate of the manager ("sponsored funds") and may invest in other funds and ETFs managed by unaffiliated entities ("unsponsored funds"); collectively, "underlying funds." The underlying funds are determined to be unconsolidated structured entities, as decision making in the underlying fund is not governed by the voting rights or other similar rights held by the Fund. The investments in underlying funds are subject to the terms and conditions of the offering documents of the respective underlying funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds. The underlying funds' objectives are generally to achieve long-term capital appreciation and/or current income by investing in a portfolio of securities and other funds in line with each of their documented investment strategies. The underlying funds apply various investment strategies to accomplish their respective investment objectives.

The underlying funds finance their operations by issuing redeemable units which are puttable at the unitholder's option, and entitle the unitholder to a proportional stake in the respective underlying funds' NAV.

The Funds do not consolidate their investment in underlying funds but account for these investments at fair value. The manager has determined that the Funds are investment entities in accordance with IFRS 10 Consolidated Financial Statements, since the Funds meet the following criteria:

- (i) The Funds obtain capital from one or more investors for the purpose of providing those investors with investment management services,
- (ii) The Funds commit to their investors that their business purpose is to invest funds solely for the returns from capital appreciation, investment income or both, and

- (iii) The Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

Therefore, the fair value of investments in the underlying funds is included in the Schedule of Investment Portfolio and included in "Investments at fair value" in the Funds' Statements of Financial Position. The change in fair value of the investment held in the underlying funds is included in "Change in unrealized gain (loss) on investments and derivatives" in the Statements of Comprehensive Income.

Certain Funds may invest in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

Determination of Fair Value The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a three-tier hierarchy based on inputs is used to value the Funds' financial instruments. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), including broker quotes, vendor prices, vendor fair value factors and prices of underlying funds that are not daily traded; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

December 31, 2025

The three-tier hierarchy of investments and derivatives is included in Notes to Financial Statements – Fund Specific Information.

Investments and derivatives are recorded at fair value, which is determined as follows:

Equities – Common shares and preferred shares are valued at the closing price as recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Fixed-Income and Debt Securities – Bonds, mortgage-backed securities, loans, debentures and other debt securities are valued at the mid price quoted by major dealers or independent pricing vendors in such securities.

NHA-approved mortgages are valued at an amount which produces a yield equivalent to the prevailing rate of return on mortgages of similar type and term.

Short-Term Investments – Short-term investments are valued at cost plus accrued interest, which approximates fair value.

Options – Options give the purchaser the right, but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price during the specified period or on a specified date.

Listed options are valued at the closing price on the recognized exchange on which the option is traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Options purchased and options written (sold) are recorded as investments in the Statements of Financial Position. These investments are reported at fair value in the Statements of Financial Position, and unrealized gain or loss at the close of business on each valuation date is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income.

When an option is exercised and the underlying securities are acquired or delivered, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed the Fund will realize a gain or loss equal to the difference between the premium and the cost to close the position. When an option expires, gains or losses are

realized equivalent to the amount of premiums received or paid, respectively. The net realized gains (losses) on written and purchased options are included in the Statements of Comprehensive Income in “Net realized gain (loss) on investments.”

Warrants – Warrants are valued using a recognized option pricing model, which includes factors such as the terms of the warrant, time value of money and volatility inputs that are significant to such valuation.

Warrants are recorded as investments and reported at fair value in the Statements of Financial Position. Any unrealized gain or loss at the close of business on each valuation date is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income. When warrants are exercised or have expired, the net realized gains (losses) are included in the Statements of Comprehensive Income in “Net realized gain (loss) on investments.”

Forward Contracts – Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. The unrealized gain or loss on forward contracts is recorded separately in the Statements of Financial Position. Any unrealized gain or loss on foreign exchange contracts and bond forwards at the close of business on each valuation date is recorded as “Change in unrealized gain (loss) on investments and derivatives” and realized gain or loss is included in “Derivative income (loss)” in the Statements of Comprehensive Income.

Futures Contracts – Futures contracts entered into by the Funds are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the Funds do not intend to purchase or sell the financial instrument on the settlement date; rather, they intend to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. Futures contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. Any gain or loss at the close of business on each valuation date is recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. The receivable/payable on futures contracts is recorded separately in the Statements of Financial Position, and the year over year change in these balances is recorded in Increase/decrease in accrued receivables or accrued payables, as applicable, in the Statements of Cash Flow.

December 31, 2025

Total Return Swaps – A total return swap is an agreement by which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position, as applicable. The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Interest Rate Swap Contracts – Interest rate swaps are agreements between two parties to exchange periodic interest payments based on a notional principal amount. The net periodic payments received from interest rate swap contracts are recorded as “Interest for distribution purposes” and paid are recorded as “Interest expense” in the Statements of Comprehensive Income. Payments received or paid when the Fund enters into the contract are recorded as an asset or liability in the Statements of Financial Position. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Interest rate swap contracts are valued based upon quotations from independent sources.

Credit Default Swap Contracts – Credit default swaps are agreements between a protection buyer and protection seller. The protection buyer pays a periodic fee in exchange for a payment by the protection seller contingent on the occurrence of a credit event, such as a default, bankruptcy or restructuring, with respect to a referenced entity. Periodic fees received are recorded as “Interest for distribution purposes” and paid are recorded as “Interest expense” in the Statements of Comprehensive Income. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Credit default swap contracts are valued based on quotations from independent sources.

Cross-Currency Swaps – A cross-currency swap is an agreement between two parties to exchange interest payments and principals denominated in two different currencies. Cross-currency swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position. The risks of cross-currency swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Securities Sold Short – Certain Funds may enter into short sales transactions. Short sales are transactions in which a Fund sells an investment that it may not own. A Fund may make short sales of investments (i) to offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Fund, (iii) for investment return, (iv) as part of a risk arbitrage strategy, and (v) as part of its overall portfolio management strategies involving the use of derivative instruments. When a Fund engages in a short sale, it may borrow the security sold short and deliver it to the counterparty. Securities sold short are reflected as “Investments in securities sold short” on the Statements of Financial Position. A Fund will ordinarily have to pay a fee or premium to borrow a security and be obligated to repay the lender of the security any dividend or interest that accrues on the security during the period of the loan. Such fees payable, as applicable, are reflected as “Stock loan fee payable” on the Statements of Financial Position. The fee incurred is reflected as “Stock loan fee” on the Statements of Comprehensive Income. Dividends payable on such securities, as applicable, are reflected as “Dividends payable on short sales” on the Statements of Financial Position. Dividends on such investments, if any, are reflected as “Dividends on short sales” on the Statements of Comprehensive Income.

December 31, 2025

Underlying Funds – Underlying funds that are not exchange-traded funds are valued at their respective NAV per unit from fund companies on the relevant valuation dates and underlying funds that are exchange-traded funds are valued at market close on the relevant valuation dates.

Fair Valuation of Investments – The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Procedures are in place to determine the fair value of foreign securities traded in countries outside of North America daily to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

Management also has procedures where the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, NAV per unit (for exchange-traded funds), recent transactions, market multiples, book values and other relevant information for the investment to determine its fair value. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

All security valuation techniques are periodically reviewed by the Valuation Committee (“VC”) of the manager and are approved by the manager. The VC provides oversight of the Funds’ valuation policies and procedures.

Cash Cash is comprised of cash and deposits with banks and is recorded at amortized cost. The carrying amount of cash approximates its fair value because it is short term in nature.

Margin Margin accounts represent margin deposits held with brokers in respect of derivatives contracts.

Functional Currency The Funds, with the exceptions below, have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the Funds. BlueBay Emerging Markets Short Duration Bond Fund (Canada), BlueBay EM Sovereign Bond Fund and RBC Alpha Plus U.S. Equity Fund have their subscriptions, redemptions

and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for these Funds.

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars (U.S. dollars in the case of the USD Funds) at the rate of exchange on each valuation date. Gains/losses on foreign cash balances are included in “Net gain (loss) on foreign cash balances” in the Statements of Comprehensive Income. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses on spot and forward currency contracts are included in “Derivative income (loss)” in the Statements of Comprehensive Income.

Valuation of Series A different NAV is calculated for each series of units of a Fund. The NAV of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative NAV of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date. Stock loan fees and transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Comprehensive Income for the period. The unrealized gain and loss on investments is the difference between fair value and average cost for the period. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost which does not include amortization of premiums or discounts on fixed-income and debt securities with the exception of zero coupon bonds and short-term investments.

Income Recognition Dividend income is recognized on the ex-dividend date and interest for distribution purposes is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds. “Income from investment trusts” includes income from underlying funds and other trusts. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized. Interest payments made by the Funds to counterparties on the payable leg of derivative contracts are recorded as “Interest expense” in the Statements of Comprehensive Income.

Increase (Decrease) in NAV per Unit “Increase (decrease) in NAV per unit” in the Statements of Comprehensive Income represents the increase (decrease) from operations in net assets attributable to holders of redeemable units by series, divided by the average units outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund. These amounts are included in the Statements of Changes in NAV.

Prepaid Subscriptions Prepaid subscriptions represent amounts received from unitholders for subscriptions with an effective date after the period end date.

Foreign Currencies The following is a list of abbreviations used in the Schedule of Investment Portfolio:

AUD – Australian dollar	KRW – South Korean won
BRL – Brazilian real	KZT – Kazakhstan tenge
CAD – Canadian dollar	MXN – Mexican peso
CHF – Swiss franc	MYR – Malaysian ringgit
CLP – Chilean peso	NGN – Nigerian naira
CNY – Chinese renminbi	NOK – Norwegian krone
COP – Colombian peso	NZD – New Zealand dollar
CZK – Czech koruna	PEN – Peruvian nuevo sol
DKK – Danish krone	PLN – Polish zloty
DOP – Dominican peso	PYG – Paraguayan guarani
EGP – Egyptian pound	RON – Romanian leu
EUR – Euro	SEK – Swedish krona
GBP – Pound sterling	SGD – Singapore dollar
HKD – Hong Kong dollar	THB – Thailand baht
HUF – Hungarian forint	TRY – Turkish new lira
IDR – Indonesian rupiah	USD – United States dollar
INR – Indian rupee	ZAR – South African rand
JPY – Japanese yen	

In-Kind Transactions and Switches Between Different Series of the Same Fund The Funds exclude non-cash transactions from their operating and financing activities within the Statements of Cash Flow. The primary differences between amounts issued and redeemed within the Statements of Changes in NAV and the Statements of Cash Flow relate to in-kind transactions and switches between series of the same Fund. Similarly, the “Cost of investments purchased” and “Proceeds from sale and maturity of investments” within the Statements of Cash Flow appropriately exclude in-kind transactions.

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the Funds’ accounting policies and making estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that management has made in preparing the financial statements.

Fair value measurement of securities not quoted in an active market

The Funds have established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed and consistently applied from period to period. The estimates of the value of the Funds’ assets and liabilities are believed to be appropriate as at the reporting date.

The Funds may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by management for the estimates used in determining fair value.

5. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital, which is its NAV and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio managers, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines and securities regulations.

Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, wars, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds’ investments and performance.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund’s direct risks and pro rata exposure to the risks of underlying funds, as applicable.

Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund may be exposed to daily, weekly or monthly cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund’s Statements of Financial Position. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. All other receivables, amounts due from brokers, cash, margin and short-term deposits are held with counterparties with a credit rating of BBB- or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund’s unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 7). RBC GAM monitors each Fund’s credit exposure and counterparty ratings daily.

Concentration risk

Concentration risk arises as a result of net financial instrument exposures to the same category, such as geographical region, asset type, industry sector or market segment. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions.

Interest rate risk

Interest rate risk is the risk that the fair value of a Fund’s interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Certain Funds trade in debt securities, some of which are variable rate and have an inter-bank linked interest rate. Such debt securities may potentially be transitioned to an alternative benchmark before the Funds dispose of their investments. The impact of this transition, if any, will be captured in the change in fair value of these investments and is not expected to be significant to each Fund.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency risk as disclosed in the Fund Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of a Fund.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

December 31, 2025

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. In addition, a short sale by a Fund requires the Fund to borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to be paid back by a Fund before the Fund wants to do so, possibly requiring the Fund to borrow the security elsewhere or purchase the security on the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. The borrowing fee may increase during the borrowing period, adding to the expense of the short sale strategy. There is also no guarantee that the securities sold short can be repurchased by a Fund due to supply and demand constraints in the equity markets. Finally, in order to maintain the appropriate ratios between the long portfolio and the short portfolio of a Fund, the manager may be required to buy or sell short securities at unattractive prices. The maximum risk resulting for financial instruments held long is determined by the fair value of the instrument.

6. Taxes

The Funds qualify as mutual fund trusts or unit trusts under the *Income Tax Act* (Canada) except the RBC Vision Fossil Free Global Equity Fund LP and Phillips, Hager & North Custom Interest Rate Overlay Fund (see Taxes note in Fund Specific Information). In general, the Funds are subject to income tax; however, no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In addition, for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

If a Fund is not a mutual fund trust under the Tax Act throughout a taxation year, the Fund (i) may become liable for alternative minimum tax under the Tax Act in such year, (ii) would not be eligible for capital gains refunds under the

Tax Act in such year, (iii) may be subject to the “mark-to-market” rules described below and (iv) may be subject to a special tax under Part XII.2 of the Tax Act described below in such year.

If a Fund does not qualify as a mutual fund trust and more than 50% (calculated on a fair market value basis) of the units of the Fund are held by one or more unitholders that are considered to be “financial institutions” for the purposes of certain special mark-to-market rules in the Tax Act, then the Fund itself will be treated as a financial institution under those special rules. Under those rules, the Fund will be required to recognize at least annually on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to unitholders. If more than 50% of the units of the Fund cease to be held by financial institutions, the tax year of the Fund will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the Fund and will be distributed to unitholders. A new taxation year for the Fund will then begin and for that and subsequent taxation years, for so long as not more than 50% of the units of the Fund are held by financial institutions, the Fund will not be subject to these special mark-to-market rules. RBC Vision Future Solutions Bond Fund, Phillips, Hager & North PRiSM Long Corporate Bond Trust, Phillips, Hager & North Synthetic Floating Rate Fund, BlueBay High Grade CLO Fund (CAD Hedged), RBC Fundamental Minimum Volatility Canadian Equity Fund, and RBC Alpha Plus U.S. Equity Fund were subject to mark-to-market rules for the period ended December 31, 2025.

If at any time in a year a Fund that is not a mutual fund trust under the Tax Act throughout that year has a unitholder that is a “designated beneficiary”, the Fund will be subject to a special tax at the rate of 40% under Part XII.2 of the Tax Act on its “designated income” within the meaning of the Tax Act. A “designated beneficiary” includes a non-resident, and “designated income” includes taxable capital gains from dispositions of “taxable Canadian property” and income from business carried on in Canada (which could include gains on certain derivatives). Where a Fund is subject to tax under Part XII.2 of the Tax Act, the Fund may make a designation which will result in unitholders that are not designated beneficiaries receiving a tax credit with respect to their share of the Part XII.2 tax paid by the Fund.

December 31, 2025

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years.

The Funds may be subject to withholding taxes levied by certain countries on foreign investment income and capital gains. Such income or gains are recorded on a gross basis and the related withholding taxes, or estimate of capital gains taxes is recorded as an expense in the Statements of Comprehensive Income. The withholding tax liability on capital gains is included in "Accounts payable and accrued expenses" in the Statements of Financial Position. The estimate could materially differ from the actual tax payable.

7. Securities lending revenue

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

8. Administrative and other related-party transactions

Manager and Portfolio Manager

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager and portfolio manager of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. The management fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. No management fees are paid by the Funds with respect to Series O and Series OL units. Series O and Series OL unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services. As described in the Notes to Financial Statements – Fund Specific Information of the Fund, for certain Funds, RBC GAM is also paid performance fees. Performance fees are calculated

and accrued on the last business day of each month and are payable to RBC GAM on the last business day of each year prior to giving effect to redemptions on such date.

The Funds pay a fixed administration fee to RBC GAM. The fixed administration fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and interim reports, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including any costs and expenses of the Independent Review Committee ("IRC") of the Funds that are not related to annual fees, meeting fees and reimbursement for expenses to members of the IRC, the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, "other fund costs"), and taxes (including, but not limited to, GST/HST). RBC GAM, not the Funds, is responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the IRC. Other fund costs will be allocated proportionately to each series based upon the relative NAV of each series. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest in units of other Funds managed by RBC GAM or its affiliates ("underlying funds"). A Fund will not invest in units of an underlying fund if the Fund would be required to pay any management or incentive fees in respect of that investment that a reasonable person would believe duplicates a fee payable by the underlying fund for the same service. To the extent a Fund invests in underlying funds managed by RBC GAM or its affiliates, the fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the Fund. However, a Fund may only invest in one or more underlying funds provided that no management fees or incentive fees are payable that would duplicate a fee payable by the underlying fund for the same service. The Fund's ownership interest in underlying funds is disclosed in the Notes to Financial Statements – Fund Specific Information.

December 31, 2025

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Funds, 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 Funds 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 Funds in the course of their normal business, all of which are wholly owned subsidiaries of Royal Bank of Canada, are discussed below.

Distributors

RBC GAM and RBC Dominion Securities Inc. are principal distributors of, or may distribute certain series of units of, the Funds.

Sub-Advisors

RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited are the sub-advisors of the BlueBay CMBS Opportunities Fund (Canada). RBC Global Asset Management (UK) Limited is the sub-advisor of the BlueBay Total Return Credit Fund (Canada), the BlueBay Total Return Credit Fossil Fuel Exclusions Fund (Canada), the BlueBay High Income Credit Fund (formerly, BlueBay High Yield Asset-Backed Credit Fund (Canada)), the BlueBay Emerging Markets Short Duration Bond Fund (Canada), the BlueBay High Grade CLO Fund (CAD Hedged), the BlueBay EM Sovereign Bond Fund, the RBC Vision Fossil Fuel Free Global Equity Fund LP and the RBC Global Equity Focus Pension Trust.

The sub-advisors earn a fee which is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. The sub-advisors are paid by the manager from the management fee paid by the Funds.

Trustee

RBC GAM is the trustee for the Funds governed by the laws of the Province of Ontario. RBC IS is the trustee for the Funds governed by the laws of the Province of British Columbia. The trustee holds title to the Funds' property on behalf of the unitholders. The trustee earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Custodian

Unless specifically addressed in the Fund Specific Information, RBC IS is custodian of the Funds and holds the assets of the Funds. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Funds.

Registrars

RBC GAM and RBC IS are the registrars of the Funds and keep records of who owns units of the Funds. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Brokers and Dealers

The Funds have established or may establish standard brokerage agreements and dealing agreements at market rates with related parties such as RBC Dominion Securities Inc., RBC Capital Markets, LLC, RBC Europe Limited, NBC Securities Inc. and Royal Bank of Canada.

Securities Lending Agent

To the extent a 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.

Mortgage Administrator Agent

Royal Bank administers mortgages on behalf of the Funds. Royal Bank earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Other Related-Party Transactions

Pursuant to applicable exemptive relief, the Funds relied on the standing instructions from the IRC with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) 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

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

December 31, 2025

In addition, the Funds relied on standing instructions with respect to investments in 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 ("Related-Party Underwriting Activities").

These standing instructions require that the above transactions be conducted in accordance with RBC GAM policy and that RBC GAM advise the IRC of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities or Related-Party Underwriting 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 Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

9. New IFRS Accounting Standards

In April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in the Financial Statements which aims to improve the quality of financial reporting by introducing new requirements which include new required categories and subtotals in the Statements of Comprehensive Income and enhanced guidance on grouping of information and required disclosures for management-defined performance measures. IFRS 18 replaces IAS 1 Presentation of Financial Statements. This standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. RBC GAM is currently assessing the impact of these new requirements.

The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the funds (the "Funds") whose financial statements accompany this letter. With the exception of the RBC Vision Fossil Fuel Free Global Equity Fund LP, the financial statements of which were approved by its General Partner, GAM Fund GP Inc., these financial statements were approved by the Board of Directors of RBC GAM. We are responsible for the information contained within these financial statements.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in compliance with IFRS Accounting Standards (and they include certain amounts that are based on estimates and judgments). The material accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, have performed an independent audit of the financial statements in accordance with Canadian Auditing Standards. Their report is set out on the next page.



Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.
March 10, 2025



Heidi Johnston, CPA, CA
Chief Financial Officer
RBC GAM Funds

To the Unitholders and Trustee, or Partners, as applicable of

Phillips, Hager & North Institutional S.T.I.F.	Phillips, Hager & North PRisM Long Corporate Bond Trust	BlueBay High Yield Asset-Backed Credit Fund (Canada)
Phillips, Hager & North Short Investment Grade Corporate Bond Trust	Phillips, Hager & North Long Mortgage Pension Trust	BlueBay High Grade CLO Fund (CAD Hedged)
Phillips, Hager & North Short Core Plus Bond Fund	Phillips, Hager & North Conventional Plus Mortgage Fund	Phillips, Hager & North PRisM Balanced Fund
Phillips, Hager & North Municipal Plus Bond Fund	Phillips, Hager & North High Yield Mortgage Fund	Phillips, Hager & North Enhanced Long Government Bond Fund
Phillips, Hager & North Mortgage Pension Trust	Phillips, Hager & North Infrastructure Debt Fund	Phillips, Hager & North Enhanced PRisM Long Fund
BlueBay CMBS Opportunities Fund (Canada)	Phillips, Hager & North Long Bond Pension Trust	Phillips, Hager & North Absolute Return Fund
RBC Commercial Mortgage Fund	Phillips, Hager & North Enhanced Long Bond Pension Trust	RBC Multi-Strategy Alpha Fund
RBC Vision Future Solutions Bond Fund	Phillips, Hager & North Long Private Placement Corporate Debt Fund	Phillips, Hager & North Long/Short Canadian Equity Fund
Phillips, Hager & North Investment Grade Corporate Bond Trust	Phillips, Hager & North Long Core Plus Bond Fund	RBC Fundamental Minimum Volatility Canadian Equity Fund
Phillips, Hager & North U.S. Investment Grade Corporate Bond Trust (CAD Hedged)	Phillips, Hager & North PRisM – Mid	Phillips, Hager & North Institutional Gold & Precious Metals Fund
Phillips, Hager & North PRisM – Short	Phillips, Hager & North PRisM – Long	RBC Canadian Preferred Share Fund
Phillips, Hager & North Enhanced Total Return Bond Fund	Phillips, Hager & North 20+ Strip Fund	RBC Long/Short North American Equity Fund
Phillips, Hager & North Corporate Bond Trust	Phillips, Hager & North Custom Interest Rate Overlay Fund	RBC Alpha Plus U.S. Equity Fund
Phillips, Hager & North Enhanced Corporate Bond Trust	Phillips, Hager & North Custom Universe Provincial Spread Overlay Fund I	RBC QUBE Stable Dividend Global Equity Fund (CAD Hedged)
Phillips, Hager & North Private Placement Corporate Debt Fund	Phillips, Hager & North Custom Universe Provincial Spread Overlay Fund II	RBC Global Equity Focus Pension Trust
Phillips, Hager & North Core Plus Bond Fund	Canadian Custom Long Term Fixed Income Fund	RBC QUBE Custom Global Equity Fund
Phillips, Hager & North Multi-Strategy Credit Fund	Phillips, Hager & North Synthetic Floating Rate Fund	RBC Vision Fossil Fuel Free Global Equity Fund LP
Phillips, Hager & North Long Municipal Plus Bond Fund	Phillips, Hager & North PRisM Levered Government Bond Fund	(individually, a Fund)
Phillips, Hager & North Long Investment Grade Corporate Bond Trust	BlueBay Total Return Credit Fund (Canada)	
Phillips, Hager & North Long Corporate Bond Trust	BlueBay Event Driven Credit Fund (Canada)	

Our opinion

In our opinion, the accompanying December 31, 2024 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 2 in accordance with IFRS Accounting Standards.

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 2;
- the statements of comprehensive income for the periods indicated in note 2;
- the statements of cash flow for the periods indicated in note 2;
- the statements of changes in net assets attributable to holders of redeemable units (NAV) for the periods indicated in note 2; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 10, 2025



SCHEDULE OF INVESTMENT PORTFOLIO (in \$000s)
BLUEBAY HIGH YIELD ASSET-BACKED CREDIT FUND (CANADA)

December 31, 2024

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
COLLATERALIZED LOAN OBLIGATIONS				
Armada Euro CLO III DAC 4.534% Oct 15, 2037 EUR	1,500	2,260	2,236	
Armada Euro CLO IV DAC 0.000% Jan 15, 2038 EUR	500	751	746	
BlueMountain CLO 2018-1 Ltd. 7.901% Jul 30, 2030 USD	500	648	720	
Bosphorus CLO IX DAC 6.649% Apr 15, 2038 EUR	650	945	986	
Bridgepoint CLO IV DAC 6.875% Jan 20, 2037 EUR	500	735	745	
Fortress Credit Europe BSL 2024-1 DAC 6.355% Jan 20, 2038 EUR	500	750	742	
Grosvenor Place CLO 2024-2 DAC 0.000% Jan 15, 2039 EUR	1,000	1,495	1,485	
Henley CLO XII DAC 4.780% Jan 15, 2038 EUR	1,000	1,492	1,491	
Man U.S. CLO 2024-1 Ltd. 12.401% Jul 20, 2037 USD	500	677	731	
Marble Point CLO XII Ltd. 7.909% Jul 16, 2031 USD	500	674	720	
OCP Euro Clo 2022-6 DAC 6.800% Jul 20, 2036 EUR	500	737	750	
Sagard-Halsey CLO 8 Ltd. 5.704% Jan 30, 2038 USD	1,400	1,966	2,014	
Signal Harmonic CLO I DAC 7.684% Jul 15, 2036 EUR	1,000	1,459	1,507	
Signal Harmonic CLO II DAC 6.584% Oct 15, 2038 EUR	450	657	685	
Stewart Park CLO Ltd. 10.198% Jan 15, 2030 USD	750	1,009	1,083	
Tikehau U.S. CLO II Ltd. 5.786% Jan 20, 2038 USD	1,250	1,771	1,798	
Tralee CLO VI Ltd. 8.726% Oct 25, 2032 USD	1,000	1,375	1,441	
Trimaran CAVU 2024-1 Ltd. 5.638% Jan 25, 2038 USD	1,750	2,460	2,524	
Trinitas CLO XXIV Ltd. 8.726% Apr 25, 2037 USD	500	672	737	
TOTAL COLLATERALIZED LOAN OBLIGATIONS		22,533	23,141	62.2
MORTGAGE-BACKED SECURITIES				
Angel Oak Mortgage Trust 6.581% Aug 25, 2069 USD	1,000	1,391	1,437	
BX Commercial Mortgage Trust 2024-XL4 7.537% Feb 15, 2039 USD	486	655	701	
BX Trust 7.037% Dec 09, 2040 USD	1,456	1,974	2,099	
CarMax Auto Owner Trust 6.000% Jul 15, 2030 USD	700	946	1,023	
Compass Datacenters Issuer II LLC 5.750% Feb 25, 2049 USD	1,000	1,320	1,435	
Connecticut Avenue Securities Trust 2023-R08 7.069% Oct 25, 2043 USD	386	531	569	
Connecticut Avenue Securities Trust 2024-R03 6.510% Mar 25, 2044 USD	347	475	505	
Exeter Automobile Receivables Trust 5.840% Jun 17, 2030 USD	750	1,010	1,088	
Freddie Mac STACR REMIC Trust 2024-DNA2 6.269% May 25, 2044 USD	300	409	434	
Freddie Mac STACR REMIC Trust 2024-DNA3 6.019% Oct 25, 2044 USD	265	363	383	
GS Mortgage Securities Corp. II 6.071% Sep 10, 2038 USD	1,000	1,282	1,434	
NGC 2024-I Ltd. 14.027% Jul 20, 2037 USD	1,000	1,340	1,464	
SC Germany S.A. Compartment Consumer 2024-2 6.152% May 14, 2038 EUR	400	598	604	
TOTAL MORTGAGE-BACKED SECURITIES		12,294	13,176	35.4
TOTAL INVESTMENTS		34,827	36,317	97.6
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		–	701	1.9
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		–	(2,509)	(6.7)
TOTAL PORTFOLIO		34,827	34,509	92.8
CASH			1,237	3.3
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			1,434	3.9
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			37,180	100.0



December 31, 2024

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought USD 23 Sold CAD 32 @ 1.4367	15-Jan-2025	1
Bought CAD 70 Sold EUR 46 @ 1.4890	15-Jan-2025	1
Bought GBP 6 Sold CAD 11 @ 1.7983	15-Jan-2025	–
Bought CAD 1,567 Sold EUR 1,050 @ 1.4890	15-Jan-2025	3
Bought CAD 130 Sold USD 90 @ 1.4367	15-Jan-2025	–
Bought CAD 2,903 Sold EUR 1,925 @ 1.4890	15-Jan-2025	37
Bought USD 59 Sold CAD 79 @ 1.4367	15-Jan-2025	5
Bought USD 900 Sold CAD 1,254 @ 1.4367	15-Jan-2025	39
Bought USD 12 Sold CAD 17 @ 1.4367	15-Jan-2025	–
Bought GBP 51 Sold CAD 91 @ 1.7983	15-Jan-2025	1
Bought CAD 2,093 Sold EUR 1,400 @ 1.4890	15-Jan-2025	8
Bought CAD 13,239 Sold EUR 8,861 @ 1.4890	15-Jan-2025	44
Bought CAD 67 Sold EUR 45 @ 1.4890	15-Jan-2025	–
Bought USD 9,330 Sold CAD 13,087 @ 1.4367	15-Jan-2025	318
Bought USD 3,000 Sold CAD 4,233 @ 1.4367	15-Jan-2025	77
Bought GBP 645 Sold CAD 1,131 @ 1.7983	15-Jan-2025	29
Bought EUR 3,200 Sold CAD 4,728 @ 1.4890	15-Jan-2025	38
Bought CAD 267 Sold USD 185 @ 1.4367	15-Jan-2025	–
Bought USD 1,325 Sold CAD 1,820 @ 1.4367	15-Jan-2025	85
Bought CAD 634 Sold GBP 351 @ 1.7983	15-Jan-2025	2
Bought USD 5 Sold CAD 6 @ 1.4367	15-Jan-2025	–
Bought USD 325 Sold CAD 454 @ 1.4367	15-Jan-2025	13
Bought CAD 734 Sold USD 510 @ 1.4367	15-Jan-2025	–
Bought CAD 53 Sold USD 37 @ 1.4367	15-Jan-2025	–
Bought USD 8 Sold CAD 11 @ 1.4367	15-Jan-2025	–
		<u>701</u>

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss (\$)
Bought EUR 500 Sold CAD 748 @ 1.4890	15-Jan-2025	(3)
Bought CAD 27 Sold USD 20 @ 1.4367	15-Jan-2025	(1)
Bought CAD 88 Sold USD 66 @ 1.4367	15-Jan-2025	(6)
Bought CAD 628 Sold GBP 350 @ 1.7983	15-Jan-2025	(2)
Bought CAD 77 Sold USD 56 @ 1.4367	15-Jan-2025	(3)
Bought EUR 70 Sold CAD 106 @ 1.4890	15-Jan-2025	(1)
Bought CAD 62 Sold USD 45 @ 1.4367	15-Jan-2025	(2)
Bought CAD 585 Sold USD 425 @ 1.4367	15-Jan-2025	(26)
Bought CAD 71 Sold USD 51 @ 1.4367	15-Jan-2025	(2)
Bought EUR 175 Sold CAD 263 @ 1.4890	15-Jan-2025	(2)
Bought EUR 300 Sold CAD 448 @ 1.4890	15-Jan-2025	(1)
Bought CAD 1,225 Sold USD 882 @ 1.4367	15-Jan-2025	(43)
Bought CAD 1,025 Sold USD 740 @ 1.4367	15-Jan-2025	(38)
Bought CAD 213 Sold USD 152 @ 1.4367	15-Jan-2025	(5)
Bought CAD 35 Sold USD 25 @ 1.4367	15-Jan-2025	(1)
Bought CAD 60 Sold USD 43 @ 1.4367	15-Jan-2025	(1)
Bought EUR 775 Sold CAD 1,168 @ 1.4890	15-Jan-2025	(14)
Bought CAD 123 Sold USD 90 @ 1.4367	15-Jan-2025	(5)
Bought EUR 1,040 Sold CAD 1,561 @ 1.4890	15-Jan-2025	(12)
Bought CAD 54 Sold EUR 37 @ 1.4890	15-Jan-2025	–
Bought CAD 2 Sold GBP 1 @ 1.7983	15-Jan-2025	–
Bought CAD 595 Sold EUR 400 @ 1.4890	15-Jan-2025	(1)
Bought CAD 39,120 Sold USD 28,850 @ 1.4367	15-Jan-2025	(2,329)
Bought EUR 550 Sold CAD 826 @ 1.4890	15-Jan-2025	(6)
Bought CAD 727 Sold EUR 489 @ 1.4890	15-Jan-2025	(2)
Bought CAD 104 Sold USD 75 @ 1.4367	15-Jan-2025	(3)
Bought CAD 68 Sold USD 48 @ 1.4367	15-Jan-2025	–
		<u>(2,509)</u>
TOTAL FOREIGN EXCHANGE		<u>(1,808)</u>

All counterparties have a credit rating of at least A.



Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)

	December 31, 2024	December 31, 2023
ASSETS		
Investments at fair value	\$ 36,317	\$ 46,124
Cash	1,237	3,464
Due from investment dealers	–	17
Subscriptions receivable	19,000	–
Unrealized gain on futures contracts	–	82
Margin receivable	1,800	1,558
Unrealized gain on foreign exchange contracts	701	747
Dividends receivable, interest accrued and other assets	389	591
TOTAL ASSETS	59,444	52,583
LIABILITIES		
Due to investment dealers	751	2,065
Redemptions payable	19,000	–
Payable on open swap contracts	–	137
Unrealized loss on foreign exchange contracts	2,509	516
Accounts payable and accrued expenses	4	6
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	22,264	2,724
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 37,180	\$ 49,859
Investments at cost	\$ 34,827	\$ 44,524
NAV		
SERIES F	\$ 1	\$ 1
SERIES O	\$ 37,179	\$ 49,858
NAV PER UNIT		
SERIES F	\$ 9.76	\$ 9.94
SERIES O	\$ 9.76	\$ 9.96

Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)

	2024	2023
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 4,016	\$ 3,547
Interest expense	(19)	(360)
Derivative income (loss)	(751)	(494)
Net realized gain (loss) on investments	4,051	2,200
Change in unrealized gain (loss) on investments and derivatives	(2,012)	1,059
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	5,285	5,952
Net gain (loss) on foreign cash balances	96	10
TOTAL OTHER INCOME (LOSS)	96	10
TOTAL INCOME (LOSS)	5,381	5,962
EXPENSES (see notes – Fund Specific Information)		
Management fees	–	–
Administration fees	52	48
GST/HST	8	7
Interest on bank overdraft	–	6
TOTAL EXPENSES	60	61
INCREASE (DECREASE) IN NAV FROM OPERATIONS	\$ 5,321	\$ 5,901
INCREASE (DECREASE) IN NAV FROM OPERATIONS		
SERIES F	\$ –	\$ –
SERIES O	\$ 5,321	\$ 5,901
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES F	\$ 0.97	\$ 1.20
SERIES O	\$ 1.07	\$ 1.30



Statements of Cash Flow (in \$000s)

For the periods ended December 31 (see note 2 in the generic notes)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV		
from operations	\$ 5,321	\$ 5,901
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Net realized loss (gain) on investments	(4,051)	(2,200)
Change in unrealized loss (gain) on investments and derivatives	2,012	(1,059)
(Increase) decrease in accrued receivables	284	(298)
Increase (decrease) in accrued payables	(2)	(10)
(Increase) decrease in margin accounts	(242)	477
Amortization of premium and discounts	–	–
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Cost of investments purchased*	(82,011)	(73,032)
Proceeds from sale and maturity of investments*	94,462	66,316
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
	15,773	(3,905)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	–	–
Cash paid on redemption of redeemable units*	(18,000)	–
Distributions paid to holders of redeemable units	–	–
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
	\$ (18,000)	\$ –
Net increase (decrease) in cash for the period	(2,227)	(3,905)
Cash (bank overdraft), beginning of period	3,464	7,369
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 1,237	\$ 3,464
Interest received (paid) ^{†§}	\$ 4,211	\$ 2,962
Income from investment trusts received (paid) ^{†‡}	\$ –	\$ –
Dividends received (paid) ^{†‡}	\$ –	\$ –

* Excludes in-kind transactions.

† Classified as part of operating activities.

‡ Net of withholding taxes, if applicable.

§ Includes interest paid of \$22 (2023 – \$369).



Statements of Changes in NAV (in \$000s)

For the periods ended December 31 (see note 2 in the generic notes)

	Series F		Series O		Total	
	2024	2023	2024	2023	2024	2023
NAV AT BEGINNING OF PERIOD	\$ 1	\$ 1	\$ 49,858	\$ 43,957	\$ 49,859	\$ 43,958
INCREASE (DECREASE) IN NAV						
FROM OPERATIONS						
Early redemption fees	–	–	5,321	5,901	5,321	5,901
Proceeds from redeemable units issued	–	–	19,000	–	19,000	–
Reinvestments of distributions to holders of redeemable units	–	–	5,381	5,970	5,381	5,970
Redemption of redeemable units	–	–	(37,000)	–	(37,000)	–
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	–	–	(12,619)	5,970	(12,619)	5,970
Distributions from net income	–	–	(5,381)	(5,970)	(5,381)	(5,970)
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	–	–	(5,381)	(5,970)	(5,381)	(5,970)
NET INCREASE (DECREASE) IN NAV	–	–	(12,679)	5,901	(12,679)	5,901
NAV AT END OF PERIOD	\$ 1	\$ 1	\$ 37,179	\$ 49,858	\$ 37,180	\$ 49,859



December 31, 2024

General information (see note 1 in the generic notes)

The Fund seeks to provide returns comprised of interest income and modest capital appreciation by investing primarily in structured credit securities, which are asset-backed debt securities. The Fund may engage in borrowing and/or derivatives for investment purposes.

Financial instrument risk and capital management (see note 5 in the generic notes)

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	December 31, 2024	December 31, 2023
AAA	23.4	5.1
AA	12.1	11.3
A	14.6	23.7
BBB	36.6	52.8
BB	9.4	2.7
Unrated	3.9	4.4
Total	100.0	100.0

Concentration risk (%)

The table below summarizes the Fund's investment exposure (after consideration of derivative products, if any) as at:

Investment mix	December 31, 2024	December 31, 2023
Loans	62.2	58.2
Mortgage-Backed Securities	35.4	34.3
Cash/Other	2.4	7.5
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	December 31, 2024	December 31, 2023
Less than 1 year	–	–
1 – 5 years	–	–
5 – 10 years	16.7	17.6
> 10 years	83.3	82.4
Total	100.0	100.0

As at December 31, 2024, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 0.3% (December 31, 2023 – 0.9%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of NAV)

Since the currency risk of the Fund has been hedged using foreign exchange contracts, the Fund has minimal sensitivity to changes in foreign exchange rates.

Fair value hierarchy (\$000s except % amounts) (see note 3 in the generic notes)

The following is a summary of the inputs used as of December 31, 2024 and 2023.

December 31, 2024	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	36,317	–	36,317
Short-term investments	–	–	–	–
Derivatives – assets	–	701	–	701
Derivatives – liabilities	–	(2,509)	–	(2,509)
Total financial instruments	–	34,509	–	34,509
% of total portfolio	–	100.0	–	100.0

December 31, 2023	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	46,124	–	46,124
Short-term investments	–	–	–	–
Derivatives – assets	82	747	–	829
Derivatives – liabilities	–	(653)	–	(653)
Total financial instruments	82	46,218	–	46,300
% of total portfolio	0.2	99.8	–	100.0

For the periods ended December 31, 2024 and 2023, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



December 31, 2024

**Management fees and administration fees
(see note 8 in the generic notes)**

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 NAV of each series of the Fund.

	Management fees	Administration fees
Series F	0.90%	0.10%
Series O	n/a*	0.10%

* Series O unitholders pay a negotiated management fee directly to RBC GAM for investment-counselling services.

**Investments by related parties
(\$000s except unit amounts)**

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	December 31, 2024	December 31, 2023
Units held		
Series F	128	114
Series O	1,862,453	5,004,775
Value of all units	18,170	49,843

Taxes (\$000s) (see note 6 in the generic notes)

The Fund had no capital or non-capital losses as at December 31, 2024.

Redeemable units (000s)

There is no limitation on the number of units available for issue. The following is a summary of units purchased and redeemed at the NAV per unit for the periods ended:

	December 31, 2024	December 31, 2023
Series F		
Opening units	–	–
Issued number of units	–	–
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	–	–
Series O		
Opening units	5,005	4,412
Issued number of units	1,947	1
Reinvested number of units	538	592
Redeemed number of units	(3,680)	–
Ending number of units	3,810	5,005

**Investments by other related investment funds (%)
(see note 8 in the generic notes)**

The table below summarizes, as a percentage, the NAV of the Fund owned by other related investment funds as at:

	December 31, 2024	December 31, 2023
RBC Multi-Strategy Alpha Fund	51.1	–

**Offsetting financial assets and liabilities (\$000s)
(see note 3 in the generic notes)**

The following is a summary of the amounts for which the Fund has a legal right to offset in the event of default, insolvency or bankruptcy. “Net amount” represents the impact to the Fund if all set-off rights were to be exercised.

December 31, 2024	Assets	Liabilities
Gross amounts – assets (liabilities)	701	(2,509)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	701	(2,509)
Related amounts not set-off	(130)	130
Collateral (received) pledged	–	–
Net amount	571	(2,379)

December 31, 2023	Assets	Liabilities
Gross amounts – assets (liabilities)	747	(653)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	747	(653)
Related amounts not set-off	(445)	445
Collateral (received) pledged	–	128
Net amount	302	(80)

December 31, 2024

1. The Funds

The funds, collectively referred to as “Fund” or “Funds,” are open-ended mutual fund trusts governed by the laws of the Province of British Columbia or Ontario and governed by a Master Declaration of Trust other than RBC Vision Fossil Fuel Free Global Equity Fund LP, which is a limited partnership formed under the laws of the Province of Ontario, pursuant to a limited partnership agreement. RBC Global Asset Management Inc. (“RBC GAM”) is the manager, portfolio manager, distributor and one of the registrars of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. RBC GAM is also the trustee of those mutual fund trusts governed by the laws of the Province of Ontario. With the exception of the RBC Vision Fossil Fuel Free Global Equity Fund LP, the financial statements of which were approved by its General Partner, GAM Fund GP Inc. on March 10, 2025, these financial statements were approved for issuance by the Board of Directors of RBC GAM on March 10, 2025.

The Funds may issue an unlimited number of units in some or all of Series A, Series I, Series N, Series F, Series O, Series OL and Series P.

Series A, Series I, Series F, Series O and Series OL units are only available to large private or institutional investors as may be determined from time to time on a case-by-case basis. Series N and Series P units are only available to related funds. Series O and Series OL units may only be purchased, switched or redeemed through RBC GAM or in certain circumstances, Phillips, Hager & North Investment Funds Ltd.

RBC Vision Fossil Fuel Free Global Equity Fund LP is divided into one general partner unit, representing the interest in the Fund held by its General Partner, and Series O units representing interests in the Fund held by its limited partner unitholders. “Redeemable units” for this Fund means redeemable partnership units.

2. Financial year

The Statements of Financial Position are prepared as at December 31, 2024 and December 31, 2023, as applicable, and the Statements of Comprehensive Income, Statements of Cash Flow, and Statements of Changes in NAV are prepared for the years ended December 31, 2024 and December 31, 2023, except for those Funds established during either year, in which case, the information is

presented from the start date as described in the Notes to Financial Statements – Fund Specific Information to December 31 of that year.

3. Material accounting policy information

These financial statements have been prepared in accordance with IFRS Accounting Standards. The material accounting policy information of the Funds is as follows:

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the Funds classifies its investment portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets and liabilities is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds’ debt securities that are solely principal and interest are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model objectives. Consequently, all investments are measured at fair value through profit and loss (“FVTPL”). Derivative assets and liabilities are also measured at FVTPL.

The Funds’ obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost, which approximates fair value given their short-term nature.

Offsetting Financial Assets and Liabilities In the normal course of business, the Funds may enter into various International Swaps and Derivatives Association master netting agreements or other similar arrangements with certain counterparties that allow for related amounts to be offset in certain circumstances, such as bankruptcy or termination of contracts. Offsetting information, where applicable, is presented in the Notes to Financial Statements – Fund Specific Information.

Collateral received represents amounts held by a counterparty or custodian on behalf of the Funds and can be in the form of securities and cash. Cash received as collateral is included in the Statements of Financial Position, whereas securities received are not included. Collateral pledged represents amounts held by the Funds’ custodian/counterparty on behalf of the counterparty and can be in the form of cash and securities. Cash pledged as

December 31, 2024

collateral is included in the Statements of Financial Position, while securities pledged as collateral are identified on the respective Fund's Schedule of Investment Portfolio.

Classification of Redeemable Units The Funds have multiple features across the different series of the Funds. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

Unconsolidated Structured Entities The Funds may invest in other Funds and exchange-traded funds ("ETFs") managed by the manager or an affiliate of the manager ("sponsored funds") and may invest in other funds and ETFs managed by unaffiliated entities ("unsponsored funds"); collectively, "underlying funds." The underlying funds are determined to be unconsolidated structured entities, as decision making in the underlying fund is not governed by the voting rights or other similar rights held by the Fund. The investments in underlying funds are subject to the terms and conditions of the offering documents of the respective underlying funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds. The underlying funds' objectives are generally to achieve long-term capital appreciation and/or current income by investing in a portfolio of securities and other funds in line with each of their documented investment strategies. The underlying funds apply various investment strategies to accomplish their respective investment objectives.

The underlying funds finance their operations by issuing redeemable units which are puttable at the unitholder's option, and entitle the unitholder to a proportional stake in the respective underlying funds' NAV.

The Funds do not consolidate their investment in underlying funds but account for these investments at fair value. The manager has determined that the Funds are investment entities in accordance with IFRS 10 Consolidated Financial Statements, since the Funds meet the following criteria:

- (i) The Funds obtain capital from one or more investors for the purpose of providing those investors with investment management services,
- (ii) The Funds commit to their investors that their business purpose is to invest funds solely for the returns from capital appreciation, investment income or both, and
- (iii) The Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

Therefore, the fair value of investments in the underlying funds is included in the Schedule of Investment Portfolio and included in "Investments at fair value" in the Funds' Statements of Financial Position. The change in fair value of the investment held in the underlying funds is included in "Change in unrealized gain (loss) on investments and derivatives" in the Statements of Comprehensive Income.

Certain Funds may invest in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

Determination of Fair Value The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a three-tier hierarchy based on inputs is used to value the Funds' financial instruments. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), including broker quotes, vendor prices, vendor fair value factors and prices of underlying funds that are not daily traded; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The three-tier hierarchy of investments and derivatives is included in Notes to Financial Statements – Fund Specific Information.

December 31, 2024

Investments and derivatives are recorded at fair value, which is determined as follows:

Equities – Common shares and preferred shares are valued at the closing price as recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Fixed-Income and Debt Securities – Bonds, mortgage-backed securities, loans, debentures and other debt securities are valued at the mid price quoted by major dealers or independent pricing vendors in such securities.

NHA-approved mortgages are valued at an amount which produces a yield equivalent to the prevailing rate of return on mortgages of similar type and term.

Short-Term Investments – Short-term investments are valued at cost plus accrued interest, which approximates fair value.

Options – Options give the purchaser the right, but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price during the specified period or on a specified date.

Listed options are valued at the closing price on the recognized exchange on which the option is traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Options purchased and options written (sold) are recorded as investments in the Statements of Financial Position. These investments are reported at fair value in the Statements of Financial Position, and unrealized gain or loss at the close of business on each valuation date is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income.

When an option is exercised and the underlying securities are acquired or delivered, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed the Fund will realize a gain or loss equal to the difference between the premium and the cost to close the position. When an option expires, gains or losses are realized equivalent to the amount of premiums received or paid, respectively. The net realized gains (losses) on written and purchased options are included in the Statements of Comprehensive Income in “Net realized gain (loss) on investments.”

Warrants – Warrants are valued using a recognized option pricing model, which includes factors such as the terms of the warrant, time value of money and volatility inputs that are significant to such valuation.

Warrants are recorded as investments and reported at fair value in the Statements of Financial Position. Any unrealized gain or loss at the close of business on each valuation date is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income. When warrants are exercised or have expired, the net realized gains (losses) are included in the Statements of Comprehensive Income in “Net realized gain (loss) on investments.”

Forward Contracts – Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. The unrealized gain or loss on forward contracts is recorded separately in the Statements of Financial Position. Any unrealized gain or loss on foreign exchange contracts and bond forwards at the close of business on each valuation date is recorded as “Change in unrealized gain (loss) on investments and derivatives” and realized gain or loss is included in “Derivative income (loss)” in the Statements of Comprehensive Income.

Futures Contracts – Futures contracts entered into by the Funds are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the Funds do not intend to purchase or sell the financial instrument on the settlement date; rather, they intend to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. Futures contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. Any gain or loss at the close of business on each valuation date is recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. The receivable/payable on futures contracts is recorded separately in the Statements of Financial Position, and the year over year change in these balances is recorded in Increase/decrease in accrued receivables or accrued payables, as applicable, in the Statements of Cash Flow.

Total Return Swaps – A total return swap is an agreement by which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. Total return swap contracts are marked to market daily based

December 31, 2024

upon quotations from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position, as applicable. The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Interest Rate Swap Contracts – Interest rate swaps are agreements between two parties to exchange periodic interest payments based on a notional principal amount. The net periodic payments received from interest rate swap contracts are recorded as “Interest for distribution purposes” and paid are recorded as “Interest expense” in the Statements of Comprehensive Income. Payments received or paid when the Fund enters into the contract are recorded as an asset or liability in the Statements of Financial Position. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Interest rate swap contracts are valued based upon quotations from independent sources.

Credit Default Swap Contracts – Credit default swaps are agreements between a protection buyer and protection seller. The protection buyer pays a periodic fee in exchange for a payment by the protection seller contingent on the occurrence of a credit event, such as a default, bankruptcy or restructuring, with respect to a referenced entity. Periodic fees received are recorded as “Interest for distribution purposes” and paid are recorded as “Interest expense” in the Statements of Comprehensive Income. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Credit default swap contracts are valued based on quotations from independent sources.

Cross-Currency Swaps – A cross-currency swap is an agreement between two parties to exchange interest payments and principals denominated in two different currencies. Cross-currency swap contracts are marked to market daily based upon quotations from the market makers and the

change in value, if any, is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position. The risks of cross-currency swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Securities Sold Short – Certain Funds may enter into short sales transactions. Short sales are transactions in which a Fund sells an investment that it may not own. A Fund may make short sales of investments (i) to offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Fund, (iii) for investment return, (iv) as part of a risk arbitrage strategy, and (v) as part of its overall portfolio management strategies involving the use of derivative instruments. When a Fund engages in a short sale, it may borrow the security sold short and deliver it to the counterparty. Securities sold short are reflected as “Investments in securities sold short” on the Statements of Financial Position. A Fund will ordinarily have to pay a fee or premium to borrow a security and be obligated to repay the lender of the security any dividend or interest that accrues on the security during the period of the loan. Such fees payable, as applicable, are reflected as “Stock loan fee payable” on the Statements of Financial Position. The fee incurred is reflected as “Stock loan fee” on the Statements of Comprehensive Income. Dividends payable on such securities, as applicable, are reflected as “Dividends payable on short sales” on the Statements of Financial Position. Dividends on such investments, if any, are reflected as “Dividends on short sales” on the Statements of Comprehensive Income.

Underlying Funds – Underlying funds that are not exchange-traded funds are valued at their respective NAV per unit from fund companies on the relevant valuation dates and underlying funds that are exchange-traded funds are valued at market close on the relevant valuation dates.

Fair Valuation of Investments – The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Procedures are in place

December 31, 2024

to determine the fair value of foreign securities traded in countries outside of North America daily to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

Management also has procedures where the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, NAV per unit (for exchange-traded funds), recent transactions, market multiples, book values and other relevant information for the investment to determine its fair value. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

All security valuation techniques are periodically reviewed by the Valuation Committee (“VC”) of the manager and are approved by the manager. The VC provides oversight of the Funds’ valuation policies and procedures.

Cash Cash is comprised of cash and deposits with banks and is recorded at amortized cost. The carrying amount of cash approximates its fair value because it is short term in nature.

Margin Margin accounts represent margin deposits held with brokers in respect of derivatives contracts.

Functional Currency The Funds, with the exception below, have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the Funds. RBC Alpha Plus U.S. Equity Fund has its subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for this Fund.

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars (U.S. dollars in the case of the USD Funds) at the rate of exchange on each valuation date. Gains/losses on foreign cash balances are included in “Net gain (loss) on foreign cash balances” in the Statements of Comprehensive Income. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign

exchange gains/losses on spot and forward currency contracts are included in “Derivative income (loss)” in the Statements of Comprehensive Income.

Valuation of Series A different NAV is calculated for each series of units of a Fund. The NAV of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative NAV of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date. Stock loan fees and transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Comprehensive Income for the period. The unrealized gain and loss on investments is the difference between fair value and average cost for the period. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost which does not include amortization of premiums or discounts on fixed-income and debt securities with the exception of zero coupon bonds and short-term investments.

Income Recognition Dividend income is recognized on the ex-dividend date and interest for distribution purposes is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds. “Income from investment trusts” includes income from underlying funds and other trusts. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized. Interest payments made by the Funds to counterparties on the payable leg of derivative contracts are recorded as “Interest expense” in the Statements of Comprehensive Income.

Increase (Decrease) in NAV per Unit Increase (decrease) in NAV per unit in the Statements of Comprehensive Income represents the increase (decrease) from operations in net assets attributable to holders of redeemable units by series, divided by the average units outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems

or switches out units within seven days of purchasing or previously switching into a Fund. These amounts are included in the Statements of Changes in NAV.

Prepaid Subscriptions Prepaid subscriptions represent amounts received from unitholders for subscriptions with an effective date after the period end date.

Foreign Currencies The following is a list of abbreviations used in the Schedule of Investment Portfolio:

AUD – Australian dollar	JPY – Japanese yen
BRL – Brazilian real	KRW – South Korean won
CAD – Canadian dollar	KZT – Kazakhstan tenge
CHF – Swiss franc	MXN – Mexican peso
CLP – Chilean peso	MYR – Malaysian ringgit
CNH/CNY – Chinese renminbi	NOK – Norwegian krone
COP – Colombian peso	NZD – New Zealand dollar
CRC – Costa Rican colon	PEN – Peruvian nuevo sol
CZK – Czech koruna	PHP – Philippine peso
DKK – Danish krone	PLN – Polish zloty
DOP – Dominican peso	PYG – Paraguayan guarani
EGP – Egyptian pound	RON – Romanian leu
EUR – Euro	RSD – Serbian dinar
GBP – Pound sterling	SGD – Singapore dollar
HKD – Hong Kong dollar	THB – Thailand baht
HUF – Hungarian forint	TRY – Turkish new lira
IDR – Indonesian rupiah	TWD – New Taiwan dollar
ILS – Israeli new shekel	USD – United States dollar
INR – Indian rupee	ZAR – South African rand

In-Kind Transactions and Switches Between Different Series of the Same Fund

The Funds exclude non-cash transactions from their operating and financing activities within the Statements of Cash Flow. The primary differences between amounts issued and redeemed within the Statements of Changes in NAV and the Statements of Cash Flow relate to in-kind transactions and switches between series of the same Fund. Similarly, the “Cost of investments purchased” and “Proceeds from sale and maturity of investments” within the Statements of Cash Flow appropriately exclude in-kind transactions.

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the Funds’ accounting policies and making estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that management has made in preparing the financial statements.

Fair value measurement of securities not quoted in an active market

The Funds have established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed and consistently applied

from period to period. The estimates of the value of the Funds’ assets and liabilities are believed to be appropriate as at the reporting date.

The Funds may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by management for the estimates used in determining fair value.

5. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital, which is its NAV and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio managers, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines and securities regulations.

Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, wars, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds’ investments and performance.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund’s direct risks and pro rata exposure to the risks of underlying funds, as applicable.

Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund may be exposed to daily, weekly or monthly cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. In addition, a Fund aims to retain sufficient cash

December 31, 2024

and cash equivalent positions to maintain liquidity. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund's Statements of Financial Position. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. All other receivables, amounts due from brokers, cash, margin and short-term deposits are held with counterparties with a credit rating of BBB- or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 7). RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

Concentration risk

Concentration risk arises as a result of net financial instrument exposures to the same category, such as geographical region, asset type, industry sector or market segment. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions.

Interest rate risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Certain Funds trade in debt securities, some of which are variable rate and have an inter-bank linked interest rate. Such debt securities may potentially be transitioned to an alternative benchmark before the Funds dispose of their investments. The impact of this transition, if any, will be captured in the change in fair value of these investments and is not expected to be significant to each Fund.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency risk as disclosed in the Fund Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of a Fund.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. In addition, a short sale by a Fund requires the Fund to borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to be paid back by a Fund before the Fund wants to do so, possibly requiring the Fund to borrow the security elsewhere or purchase the security on the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. The borrowing fee may increase during the borrowing period, adding to the expense of the short sale strategy. There is also no guarantee that the securities

December 31, 2024

sold short can be repurchased by a Fund due to supply and demand constraints in the equity markets. Finally, in order to maintain the appropriate ratios between the long portfolio and the short portfolio of a Fund, the Manager may be required to buy or sell short securities at unattractive prices. The maximum risk resulting for financial instruments held long is determined by the fair value of the instrument.

6. Taxes

The Funds qualify as mutual fund trusts or unit trusts under the *Income Tax Act* (Canada) except the RBC Vision Fossil Free Global Equity Fund LP and Phillips, Hager & North Custom Interest Rate Overlay Fund (see Taxes note in Fund Specific Information). In general, the Funds are subject to income tax; however, no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In addition, for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

If a Fund is not a mutual fund trust under the Tax Act throughout a taxation year, the Fund (i) may become liable for alternative minimum tax under the Tax Act in such year, (ii) would not be eligible for capital gains refunds under the Tax Act in such year, (iii) may be subject to the “mark-to-market” rules described below and (iv) may be subject to a special tax under Part XII.2 of the Tax Act described below in such year.

If a Fund does not qualify as a mutual fund trust and more than 50% (calculated on a fair market value basis) of the units of the Fund are held by one or more unitholders that are considered to be “financial institutions” for the purposes of certain special mark-to-market rules in the Tax Act, then the Fund itself will be treated as a financial institution under those special rules. Under those rules, the Fund will be required to recognize at least annually on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to unitholders.

If more than 50% of the units of the Fund cease to be held by financial institutions, the tax year of the Fund will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the Fund and will be distributed to unitholders. A new taxation year for the Fund will then begin and for that and subsequent taxation years, for so long as not more than 50% of the units of the Fund are held by financial institutions, the Fund will not be subject to these special mark-to-market rules. RBC Vision Future Solutions Bond Fund, Phillips, Hager & North PRiSM Long Corporate Bond Trust, Phillips, Hager & North Synthetic Floating Rate Fund, BlueBay High Yield Asset-Backed Credit Fund (Canada), BlueBay High Grade CLO Fund (CAD Hedged), Phillips, Hager & North Long/Short Canadian Equity Fund, RBC Fundamental Minimum Volatility Canadian Equity Fund, and RBC Alpha Plus U.S. Equity Fund were subject to mark-to-market rules for the period ended December 31, 2024.

If at any time in a year a Fund that is not a mutual fund trust under the Tax Act throughout that year has a unitholder that is a “designated beneficiary”, the Fund will be subject to a special tax at the rate of 40% under Part XII.2 of the Tax Act on its “designated income” within the meaning of the Tax Act. A “designated beneficiary” includes a non-resident, and “designated income” includes taxable capital gains from dispositions of “taxable Canadian property” and income from business carried on in Canada (which could include gains on certain derivatives). Where a Fund is subject to tax under Part XII.2 of the Tax Act, the Fund may make a designation which will result in unitholders that are not designated beneficiaries receiving a tax credit with respect to their share of the Part XII.2 tax paid by the Fund.

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years.

The Funds may be subject to withholding taxes levied by certain countries on foreign investment income and capital gains. Such income or gains are recorded on a gross basis and the related withholding taxes, or estimate of capital gains taxes is recorded as an expense in the Statements of Comprehensive Income. The withholding tax liability on capital gains is included in “Accounts payable and accrued expenses” in the Statements of Financial Position. The estimate could materially differ from the actual tax payable.

December 31, 2024

7. Securities lending revenue

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Investor Services Trust (“RBC IS”). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

8. Administrative and other related-party transactions

Manager and Portfolio Manager

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”). RBC GAM is the manager and portfolio manager of the Funds. RBC GAM is responsible for the Funds’ day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. The management fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. No management fees are paid by the Funds with respect to Series O and Series OL units. Series O and Series OL unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services. As described in the Notes to Financial Statements – Fund Specific Information of the Fund, for certain Funds, RBC GAM is also paid performance fees. Performance fees are calculated and accrued on the last business day of each month and are payable to RBC GAM on the last business day of each year prior to giving effect to redemptions on such date.

The Funds pay a fixed administration fee to RBC GAM. The fixed administration fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and interim reports, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including any costs and expenses of the Independent Review Committee (“IRC”) of the Funds that are not related to annual fees, meeting fees and reimbursement for expenses to members of the IRC, the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, “other fund costs”), and taxes (including, but not limited to, GST/HST). RBC GAM, not the Funds, is responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the IRC. Other fund costs will be allocated proportionately to each series based upon the relative NAV of each series. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest in units of other Funds managed by RBC GAM or its affiliates (“underlying funds”). A Fund will not invest in units of an underlying fund if the Fund would be required to pay any management or incentive fees in respect of that investment that a reasonable person would believe duplicates a fee payable by the underlying fund for the same service. To the extent a Fund invests in underlying funds managed by RBC GAM or its affiliates, the fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the Fund. However, a Fund may only invest in one or more underlying funds provided that no management fees or incentive fees are payable that would duplicate a fee payable by the underlying fund for the same service. The Fund’s ownership interest in underlying funds is disclosed in the Notes to Financial Statements – Fund Specific Information.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Funds, 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 Funds 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 Funds in the course of their normal business, all of which are wholly owned subsidiaries of Royal Bank of Canada, are discussed below.

Distributors

RBC GAM and RBC Dominion Securities Inc. are principal distributors of, or may distribute certain series of units of, the Funds.

Sub-Advisors

RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited are the sub-advisors of the BlueBay CMBS Opportunities Fund (Canada)*. RBC Global Asset Management (UK) Limited is the sub-advisor of the BlueBay Total Return Credit Fund (Canada)*, the BlueBay High Yield Asset-Backed Credit Fund (Canada)*, the BlueBay High Grade CLO Fund (CAD Hedged)*, RBC Vision Fossil Fuel Free Global Equity Fund LP and the RBC Global Equity Focus Pension Trust.

The sub-advisor earns a fee which is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. The sub-advisor is paid by the manager from the management fee paid by the Funds.

*Prior to April 1, 2023 BlueBay Asset Management LLP was a sub-advisor for these Funds.

Trustee

RBC GAM is the trustee for the Funds governed by the laws of the Province of Ontario. RBC IS is the trustee for the Funds governed by the laws of the Province of British Columbia. The trustee holds title to the Funds' property on behalf of the unitholders. The trustee earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Custodian

Unless specifically addressed in the Fund Specific Information, RBC IS is custodian of the Funds and holds the assets of the Funds. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Funds.

Registrars

RBC GAM and RBC IS are the registrars of the Funds and keep records of who owns units of the Funds. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Brokers and Dealers

The Funds have established or may establish standard brokerage agreements and dealing agreements at market rates with related parties such as RBC Dominion Securities Inc., RBC Capital Markets, LLC, RBC Europe Limited, NBC Securities Inc. and Royal Bank of Canada.

Securities Lending Agent

To the extent a 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.

Mortgage Administrator Agent

Royal Bank administers mortgages on behalf of the Funds. Royal Bank earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Other Related-Party Transactions

Pursuant to applicable exemptive relief, the Funds relied on the standing instructions from the IRC with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) 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

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

In addition, the Funds relied on standing instructions with respect to investments in 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 ("Related-Party Underwriting Activities").

These standing instructions require that the above transactions be conducted in accordance with RBC GAM policy and that RBC GAM advise the IRC of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities or Related-Party Underwriting 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 Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair

and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

9. New IFRS Accounting Standards

In April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in the Financial Statements which aims to improve the quality of financial reporting by introducing new requirements which include new required categories and subtotals in the Statements of Comprehensive Income and enhanced guidance on grouping of information. IFRS 18 replaces IAS 1 Presentation of Financial Statements. This standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. RBC GAM is currently assessing the impact of these new requirements.

The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the funds (the "Funds") whose financial statements accompany this letter. With the exception of the RBC Vision Fossil Fuel Free Global Equity Fund LP, the financial statements of which were approved by its General Partner, GAM Fund GP Inc., these financial statements were approved by the Board of Directors of RBC GAM. We are responsible for the information contained within these financial statements.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in compliance with IFRS Accounting Standards (and they include certain amounts that are based on estimates and judgments). The material accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, have performed an independent audit of the financial statements in accordance with Canadian Auditing Standards. Their report is set out on the next page.



Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.
March 7, 2024



Heidi Johnston, CPA, CA
Chief Financial Officer
RBC GAM Funds

To the Unitholders and Trustee, or Partners, as applicable of

Phillips, Hager & North Institutional S.T.I.F.	Phillips, Hager & North PRisM Long Corporate Bond Trust	BlueBay High Yield Asset-Backed Credit Fund (Canada)
Phillips, Hager & North Short Investment Grade Corporate Bond Trust	Phillips, Hager & North Long Mortgage Pension Trust	BlueBay High Grade CLO Fund (CAD Hedged)
Phillips, Hager & North Short Core Plus Bond Fund	Phillips, Hager & North Conventional Plus Mortgage Fund	Phillips, Hager & North PRisM Balanced Fund
Phillips, Hager & North Municipal Plus Bond Fund	Phillips, Hager & North High Yield Mortgage Fund	Phillips, Hager & North Enhanced Long Government Bond Fund
Phillips, Hager & North Mortgage Pension Trust	Phillips, Hager & North Infrastructure Debt Fund	Phillips, Hager & North Enhanced PRisM Long Fund
BlueBay CMBS Opportunities Fund (Canada)	Phillips, Hager & North Long Bond Pension Trust	Phillips, Hager & North Absolute Return Fund
RBC Commercial Mortgage Fund	Phillips, Hager & North Enhanced Long Bond Pension Trust	RBC Multi-Strategy Alpha Fund
RBC Vision Future Solutions Bond Fund	Phillips, Hager & North Long Private Placement Corporate Debt Fund	Phillips, Hager & North Long/Short Canadian Equity Fund
Phillips, Hager & North Investment Grade Corporate Bond Trust	Phillips, Hager & North Long Core Plus Bond Fund	RBC Fundamental Minimum Volatility Canadian Equity Fund
Phillips, Hager & North U.S. Investment Grade Corporate Bond Trust (CAD Hedged)	Phillips, Hager & North PRisM – Mid	Phillips, Hager & North Institutional Gold & Precious Metals Fund
Phillips, Hager & North PRisM – Short	Phillips, Hager & North PRisM – Long	RBC Canadian Preferred Share Fund
Phillips, Hager & North Enhanced Total Return Bond Fund	Phillips, Hager & North 20+ Strip Fund	RBC Long/Short North American Equity Fund
Phillips, Hager & North Corporate Bond Trust	Phillips, Hager & North Custom Interest Rate Overlay Fund	RBC Alpha Plus U.S. Equity Fund
Phillips, Hager & North Enhanced Corporate Bond Trust	Phillips, Hager & North Custom Universe Provincial Spread Overlay Fund I	RBC QUBE Market Neutral World Equity Fund (CAD Hedged)
Phillips, Hager & North Private Placement Corporate Debt Fund	Phillips, Hager & North Custom Universe Provincial Spread Overlay Fund II	RBC QUBE Market Neutral World Equity Fund (CAD Hedged)
Phillips, Hager & North Core Plus Bond Fund	Canadian Custom Long Term Fixed Income Fund	RBC QUBE Stable Dividend Global Equity Fund (CAD Hedged)
Phillips, Hager & North Multi-Strategy Credit Fund	Phillips, Hager & North Synthetic Floating Rate Fund	RBC Global Equity Focus Pension Trust
Phillips, Hager & North Long Municipal Plus Bond Fund	Phillips, Hager & North PRisM Levered Government Bond Fund	RBC QUBE Custom Global Equity Fund
Phillips, Hager & North Long Investment Grade Corporate Bond Trust	BlueBay Total Return Credit Fund (Canada)	RBC Vision Fossil Fuel Free Global Equity Fund LP
Phillips, Hager & North Long Corporate Bond Trust	BlueBay Event Driven Credit Fund (Canada)	(individually, a Fund)

Our opinion

In our opinion, the accompanying December 31, 2023 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 2 in accordance with IFRS Accounting Standards.

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 2;
- the statements of comprehensive income for the periods indicated in note 2;
- the statements of cash flow for the periods indicated in note 2;
- the statements of changes in net assets attributable to holders of redeemable units (NAV) for the periods indicated in note 2; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 7, 2024



SCHEDULE OF INVESTMENT PORTFOLIO (in \$000s)
BLUEBAY HIGH YIELD ASSET-BACKED CREDIT FUND (CANADA)

December 31, 2023

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
COLLATERALIZED LOAN OBLIGATIONS				
AB Carval Euro Clo I-C DAC 7.125% Jan 25, 2037 EUR	500	741	732	
Bain Capital Euro CLO 2022-2 DAC 8.852% Jul 22, 2036 EUR	660	827	966	
Bain Capital Euro CLO 2022-2 DAC 10.262% Jul 22, 2036 EUR	890	1 092	1 303	
BlueMountain EUR CLO 2016-1 DAC 6.406% Apr 25, 2032 EUR	1 000	1 200	1 405	
Bosphorus Clo VIII DAC 10.565% Apr 15, 2037 EUR	1 250	1 828	1 846	
Bridgepoint CLO IV DAC 6.875% Jan 20, 2037 EUR	500	735	729	
Capital Four U.S. CLO I Ltd. 12.587% Jan 18, 2035 USD	1 000	1 103	1 239	
Capital Four U.S. CLO III Ltd. 11.212% Jan 21, 2035 USD	2 500	3 268	3 352	
Contego CLO X DAC 6.500% Nov 15, 2036 EUR	1 000	1 301	1 424	
Fidelity Grand Harbour Clo 2022-1 Designated Activity Co. 9.995% Oct 15, 2036 EUR	750	943	1 100	
Harvest CLO XVIII DAC 6.515% Oct 15, 2030 EUR	1 000	1 332	1 381	
Harvest U.S. CLO 2023-1 Ltd. 0.000% Jan 15, 2037 USD	1 000	1 328	1 325	
OGP Euro Clo 2022-6 DAC 6.800% Jul 20, 2036 EUR	500	737	734	
OZLME III DAC 5.173% Aug 24, 2030 EUR	1 000	1 385	1 419	
Segovia European CLO 5-2018 DAC 6.875% Oct 18, 2031 EUR	1 250	1 651	1 728	
Signal Harmonic CLO I DAC 8.167% Jul 15, 2036 EUR	1 000	1 459	1 472	
Sona Fios CLO I DAC 0.000% Jul 15, 2036 EUR	540	805	783	
Sycamore Tree CLO 2023-4 Ltd. 10.944% Oct 20, 2036 USD	1 000	1 336	1 351	
Tikehau Clo IX DAC 10.393% Apr 20, 2036 EUR	1 000	1 456	1 477	
Tikehau CLO VII DAC 9.943% Oct 20, 2035 EUR	750	980	1 108	
Toro European CLO 4 DAC 7.165% Jul 15, 2030 EUR	1 500	1 950	2 163	
TOTAL COLLATERALIZED LOAN OBLIGATIONS		27 457	29 037	58.2
MORTGAGE-BACKED SECURITIES				
BX Trust 8.000% Dec 09, 2040	2 000	2 713	2 653	
Connecticut Avenue Securities Trust 2023-R04 8.887% May 25, 2043	270	367	381	
Connecticut Avenue Securities Trust 2023-R06 8.037% Jul 25, 2043	400	527	541	
Connecticut Avenue Securities Trust 2023-R08 7.837% Oct 25, 2043	386	531	525	
Domi 2023-1 BV 7.752% Feb 15, 2055 EUR	800	1 138	1 178	
Freddie Mac STACR REMIC Trust 2022-HQA1 8.837% Mar 25, 2042	1 000	1 260	1 374	
FTA Santander Consumer Spain 6.616% Sep 22, 2039 EUR	700	1 005	1 029	
GS Mortgage Securities Corp. II 5.505% Sep 10, 2038	2 000	2 564	2 579	
GS Mortgage Securities Corp. II 6.071% Sep 10, 2038	1 000	1 282	1 302	
J.P. Morgan Chase Commercial Mortgage Securities Corp. 4.453% Sep 15, 2050	1 000	1 081	923	
Towd Point Mortgage Funding 2019-Auburn 13 Plc. 7.021% Jul 20, 2045 GBP	585	967	971	
Verus Securitization Trust 7.079% Aug 25, 2068	940	1 242	1 258	
Verus Securitization Trust 6.665% Sep 25, 2068	1 219	1 669	1 639	
Verus Securitization Trust 6.259% Dec 25, 2068	550	747	734	
TOTAL MORTGAGE-BACKED SECURITIES		17 093	17 087	34.3
TOTAL INVESTMENTS		44 550	46 124	92.5
UNREALIZED GAIN ON FUTURES CONTRACTS (SCHEDULE A)		–	82	0.2
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)		–	747	1.5
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)		–	(516)	(1.0)
UNREALIZED LOSS ON CREDIT DEFAULT SWAPS (SCHEDULE C)		(26)	(137)	(0.3)
TOTAL PORTFOLIO		44 524	46 300	92.9
CASH			3 464	6.9
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			95	0.2
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			49 859	100.0



December 31, 2023

SCHEDULE A

Futures Contracts

	Number of Contracts	Contracted Value (\$)	Unrealized Gain (\$)
United States 2-Year Note Future, March 2024 Contracts at USD 102.96 per contract	15	4 159	46
United States 3-Year Note Future, March 2024 Contracts at USD 105.53 per contract	12	3 381	36
TOTAL FUTURES		7 540	82

SCHEDULE B

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought EUR 750 Sold CAD 1 082 @ 1.4635	17-Jan-2024	16
Bought CAD 13 Sold USD 10 @ 1.3247	18-Jan-2024	–
Bought CAD 20 888 Sold USD 15 351 @ 1.3247	18-Jan-2024	554
Bought EUR 4 Sold CAD 6 @ 1.4636	18-Jan-2024	–
Bought CAD 39 Sold USD 29 @ 1.3247	18-Jan-2024	1
Bought EUR 26 Sold CAD 38 @ 1.4636	18-Jan-2024	–
Bought CAD 74 Sold USD 54 @ 1.3247	18-Jan-2024	2
Bought CAD 681 Sold USD 500 @ 1.3247	18-Jan-2024	19
Bought CAD 77 Sold USD 57 @ 1.3247	18-Jan-2024	2
Bought EUR 7 Sold CAD 10 @ 1.4636	18-Jan-2024	–
Bought CAD 1 159 Sold USD 850 @ 1.3247	18-Jan-2024	33
Bought CAD 144 Sold USD 106 @ 1.3247	18-Jan-2024	4
Bought CAD 7 Sold USD 5 @ 1.3247	18-Jan-2024	–
Bought CAD 6 Sold USD 5 @ 1.3247	18-Jan-2024	–
Bought CAD 50 Sold EUR 34 @ 1.4636	18-Jan-2024	–
Bought CAD 86 Sold USD 63 @ 1.3247	18-Jan-2024	3
Bought CAD 48 Sold EUR 32 @ 1.4636	18-Jan-2024	1
Bought CAD 398 Sold USD 290 @ 1.3247	18-Jan-2024	15
Bought CAD 34 Sold USD 25 @ 1.3247	18-Jan-2024	1
Bought CAD 46 Sold GBP 27 @ 1.6887	18-Jan-2024	1
Bought CAD 61 Sold EUR 41 @ 1.4636	18-Jan-2024	1
Bought CAD 98 Sold USD 72 @ 1.3247	18-Jan-2024	2
Bought CAD 1 892 Sold USD 1 400 @ 1.3247	18-Jan-2024	38
Bought CAD 57 Sold USD 43 @ 1.3247	18-Jan-2024	1
Bought CAD 13 Sold USD 10 @ 1.3247	18-Jan-2024	–
Bought CAD 50 Sold USD 37 @ 1.3247	18-Jan-2024	1
Bought CAD 12 Sold USD 9 @ 1.3247	18-Jan-2024	–
Bought CAD 1 699 Sold USD 1 250 @ 1.3247	18-Jan-2024	44
Bought CAD 191 Sold EUR 130 @ 1.4636	18-Jan-2024	–
Bought CAD 95 Sold USD 71 @ 1.3247	18-Jan-2024	1
Bought CAD 68 Sold USD 51 @ 1.3247	18-Jan-2024	1
Bought CAD 60 Sold USD 45 @ 1.3247	18-Jan-2024	–
Bought CAD 569 Sold USD 425 @ 1.3247	18-Jan-2024	6
Bought CAD 74 Sold USD 56 @ 1.3247	18-Jan-2024	–

747

SCHEDULE B (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss (\$)
Bought CAD 579 Sold GBP 350 @ 1.6887	17-Jan-2024	(13)
Bought CAD 84 Sold EUR 58 @ 1.4636	18-Jan-2024	(1)
Bought CAD 1 873 Sold GBP 1 126 @ 1.6887	18-Jan-2024	(29)
Bought CAD 23 088 Sold EUR 16 001 @ 1.4636	18-Jan-2024	(329)
Bought USD 68 Sold CAD 92 @ 1.3247	18-Jan-2024	(3)
Bought USD 18 Sold CAD 24 @ 1.3247	18-Jan-2024	(1)
Bought CAD 120 Sold EUR 83 @ 1.4636	18-Jan-2024	(1)
Bought CAD 79 Sold EUR 54 @ 1.4636	18-Jan-2024	–
Bought USD 16 Sold CAD 22 @ 1.3247	18-Jan-2024	(1)
Bought USD 11 Sold CAD 15 @ 1.3247	18-Jan-2024	(1)
Bought USD 7 Sold CAD 10 @ 1.3247	18-Jan-2024	–
Bought USD 7 Sold CAD 10 @ 1.3247	18-Jan-2024	–
Bought USD 16 Sold CAD 22 @ 1.3247	18-Jan-2024	(1)
Bought EUR 5 Sold CAD 7 @ 1.4636	18-Jan-2024	–
Bought EUR 17 Sold CAD 25 @ 1.4636	18-Jan-2024	–
Bought EUR 530 Sold CAD 779 @ 1.4636	18-Jan-2024	(3)
Bought GBP 110 Sold CAD 188 @ 1.6887	18-Jan-2024	(2)
Bought EUR 130 Sold CAD 195 @ 1.4636	18-Jan-2024	(4)
Bought USD 940 Sold CAD 1 285 @ 1.3247	18-Jan-2024	(40)
Bought EUR 6 Sold CAD 8 @ 1.4636	18-Jan-2024	–
Bought USD 1 700 Sold CAD 2 296 @ 1.3247	18-Jan-2024	(43)
Bought CAD 70 Sold EUR 48 @ 1.4636	18-Jan-2024	–
Bought USD 1 000 Sold CAD 1 359 @ 1.3247	18-Jan-2024	(34)
Bought EUR 4 Sold CAD 5 @ 1.4636	18-Jan-2024	–
Bought EUR 19 Sold CAD 27 @ 1.4636	18-Jan-2024	–
Bought GBP 715 Sold CAD 1 210 @ 1.6887	18-Jan-2024	(2)
Bought CAD 1 518 Sold EUR 1 040 @ 1.4636	18-Jan-2024	(4)
Bought USD 410 Sold CAD 548 @ 1.3247	18-Jan-2024	(4)
Bought CAD 103 Sold EUR 71 @ 1.4636	18-Jan-2024	–
Bought EUR 9 Sold CAD 12 @ 1.4636	18-Jan-2024	–
Bought CAD 84 Sold USD 64 @ 1.3247	18-Jan-2024	–
TOTAL FOREIGN EXCHANGE		(516)
		231

All counterparties have a credit rating of at least A.



December 31, 2023

SCHEDULE C

Credit Default Swaps

Reference Entity	Notional Amount (000s)	Currency	Pay/Receive Fixed Rate	Fixed Rate (%)	Expiration Date	Counterparty	Credit Rating	Cost (\$)	Fair Value (\$)	% of Net Assets
Markit iTraxx Europe Crossover Index	1 175	EUR	Pay	5.00	20-Dec-2028	Citi Global Markets Inc.	A+	(26)	(137)	(0.3)
TOTAL CREDIT DEFAULT SWAPS								<u>(26)</u>	<u>(137)</u>	<u>(0.3)</u>



Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2023	December 31 2022
ASSETS		
Investments at fair value	\$ 46 124	\$ 36 249
Cash	3 464	7 369
Due from investment dealers	17	–
Unrealized gain on futures contracts	82	12
Margin receivable	1 558	2 035
Unrealized gain on foreign exchange contracts	747	335
Dividends receivable, interest accrued and other assets	591	363
TOTAL ASSETS	52 583	46 363
LIABILITIES		
Due to investment dealers	2 065	953
Payable on open swap contracts	137	31
Unrealized loss on futures contracts	–	11
Unrealized loss on foreign exchange contracts	516	1 405
Accounts payable and accrued expenses	6	5
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	2 724	2 405
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 49 859	\$ 43 958
Investments at cost	\$ 44 524	\$ 34 513
NAV		
SERIES F	\$ 1	\$ 1
SERIES O	\$ 49 858	\$ 43 957
NAV PER UNIT		
SERIES F	\$ 9.94	\$ 9.93
SERIES O	\$ 9.96	\$ 9.96

Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)	2023	2022
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 3 547	\$ 1 196
Interest expense	(360)	(126)
Derivative income (loss)	(494)	(1 487)
Net realized gain (loss) on investments	2 200	388
Change in unrealized gain (loss) on investments and derivatives	1 059	635
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	5 952	606
Other income (loss)	–	(4)
Net gain (loss) on foreign cash balances	10	138
TOTAL OTHER INCOME (LOSS)	10	134
TOTAL INCOME (LOSS)	5 962	740
EXPENSES (see notes – Fund Specific Information)		
Management fees	–	–
Administration fees	48	27
GST/HST	7	3
Interest on bank overdraft	6	–
TOTAL EXPENSES	61	30
INCREASE (DECREASE) IN NAV	\$ 5 901	\$ 710
INCREASE (DECREASE) IN NAV		
SERIES F	\$ –	\$ –
SERIES O	\$ 5 901	\$ 710
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES F	\$ 1.20	\$ 0.13
SERIES O	\$ 1.30	\$ 0.22



Statements of Cash Flow (in \$000s)

For the periods ended December 31
(see note 2 in the generic notes)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ 5 901	\$ 710
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Amortization of premium and discounts	–	–
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	(2 200)	(388)
Change in unrealized loss (gain) on investments and derivatives	(1 059)	(635)
(Increase) decrease in accrued receivables	(298)	(375)
Increase (decrease) in accrued payables	(10)	16
(Increase) decrease in margin accounts	477	(2 035)
Cost of investments purchased*	(73 032)	(32 219)
Proceeds from sale and maturity of investments*	66 316	29 336
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(3 905)	(5 590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	–	12 959
Cash paid on redemption of redeemable units*	–	–
Distributions paid to holders of redeemable units	–	–
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	–	12 959
Net increase (decrease) in cash for the period	(3 905)	7 369
Cash (bank overdraft), beginning of period	7 369	–
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 3 464	\$ 7 369
Interest received (paid) [†]	\$ 2 962	\$ 706
Income from investment trusts received (paid) ^{†‡}	\$ –	\$ –
Dividends received (paid) ^{†‡}	\$ –	\$ –

* Excludes in-kind transactions.

† Classified as part of operating activities.

‡ Net of withholding taxes, if applicable.



Statements of Changes in NAV (in \$000s)

For the periods ended December 31 (see note 2 in the generic notes)	Series F		Series O		Total	
	2023	2022	2023	2022	2023	2022
NAV AT BEGINNING OF PERIOD	\$ 1	\$ –	\$ 43 957	\$ –	\$ 43 958	\$ –
INCREASE (DECREASE) IN NAV	–	–	5 901	710	5 901	710
Early redemption fees	–	–	–	–	–	–
Proceeds from redeemable units issued	–	1	–	43 247	–	43 248
Reinvestments of distributions to holders of redeemable units	–	–	5 970	850	5 970	850
Redemption of redeemable units	–	–	–	–	–	–
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	–	1	5 970	44 097	5 970	44 098
Distributions from net income	–	–	(5 970)	(850)	(5 970)	(850)
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	–	–	(5 970)	(850)	(5 970)	(850)
NET INCREASE (DECREASE) IN NAV	–	1	5 901	43 957	5 901	43 958
NAV AT END OF PERIOD	\$ 1	\$ 1	\$ 49 858	\$ 43 957	\$ 49 859	\$ 43 958



December 31, 2023

General information (see note 1 in the generic notes)

The Fund seeks to provide returns comprised of interest income and modest capital appreciation by investing primarily in structured credit securities, which are asset-backed debt securities. The Fund may engage in borrowing and/or derivatives for investment purposes.

The Fund was started March 21, 2022.

Financial instrument risk and capital management (see note 5 in the generic notes)

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	December 31 2023	December 31 2022
AAA	5.1	12.1
AA	11.3	3.9
A	23.7	12.8
BBB	52.8	45.6
BB	2.7	22.7
B	–	2.9
Unrated	4.4	–
Total	100.0	100.0

Concentration risk (%)

The table below summarizes the Fund's investment exposure (after consideration of derivative products, if any) as at:

Investment mix	December 31 2023	December 31 2022
Loans	58.2	48.5
Mortgage-Backed Securities	34.3	33.9
Cash/Other	7.5	17.6
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	December 31 2023	December 31 2022
Less than 1 year	–	–
1 – 5 years	–	–
5 – 10 years	17.6	17.5
> 10 years	82.4	82.5
Total	100.0	100.0

As at December 31, 2023, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 0.9% (December 31, 2022 – 3.6%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of NAV)

Since the currency risk of the Fund has been hedged using foreign exchange contracts, the Fund has minimal sensitivity to changes in foreign exchange rates.

Fair value hierarchy (\$000s except % amounts) (see note 3 in the generic notes)

The following is a summary of the inputs used as of December 31, 2023 and 2022.

December 31, 2023	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	46 124	–	46 124
Short-term investments	–	–	–	–
Derivatives – assets	82	747	–	829
Derivatives – liabilities	–	(653)	–	(653)
Total financial instruments	82	46 218	–	46 300
% of total portfolio	0.2	99.8	–	100.0

December 31, 2022	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	36 249	–	36 249
Short-term investments	–	–	–	–
Derivatives – assets	12	335	–	347
Derivatives – liabilities	(11)	(1 436)	–	(1 447)
Total financial instruments	1	35 148	–	35 149
% of total portfolio	–	100.0	–	100.0

For the periods ended December 31, 2023 and 2022, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



December 31, 2023

**Management fees and administration fees
(see note 8 in the generic notes)**

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 NAV of each series of the Fund.

	Management fees	Administration fees
Series F	0.90%	0.10%
Series O	n/a*	0.10%

* Series O unitholders pay a negotiated management fee directly to RBC GAM for investment-counselling services.

**Investments by related parties
(\$000s except unit amounts)**

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	December 31 2023	December 31 2022
Units held		
Series F	114	102
Series O	5 004 775	4 412 367
Value of all units	49 843	43 955

Taxes (\$000s) (see note 6 in the generic notes)

The Fund had no capital or non-capital losses as at December 31, 2023.

Redeemable units (000s)

There is no limitation on the number of units available for issue. Units are purchased and redeemed at the NAV per unit.

For the periods ended December 31
(see note 2 in the generic notes)

	2023	2022
Series F		
Opening units	–	–
Issued number of units	–	–
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	–	–
Series O		
Opening units	4 412	–
Issued number of units	1	4 324
Reinvested number of units	592	88
Redeemed number of units	–	–
Ending number of units	5 005	4 412

**Offsetting financial assets and liabilities (\$000s)
(see note 3 in the generic notes)**

The following is a summary of the amounts for which the Fund has a legal right to offset in the event of default, insolvency or bankruptcy. “Net amount” represents the impact to the Fund if all set-off rights were to be exercised.

December 31, 2023	Assets	Liabilities
Gross amounts – assets (liabilities)	747	(653)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	747	(653)
Related amounts not set-off	(445)	445
Collateral (received) pledged	–	128
Net amount	302	(80)

December 31, 2022	Assets	Liabilities
Gross amounts – assets (liabilities)	335	(1 436)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	335	(1 436)
Related amounts not set-off	(245)	245
Collateral (received) pledged	–	43
Net amount	90	(1 148)

December 31, 2023

1. The Funds

The funds, collectively referred to as “Fund” or “Funds,” are open-ended mutual fund trusts governed by the laws of the Province of British Columbia or Ontario and governed by a Master Declaration of Trust other than RBC Vision Fossil Fuel Free Global Equity Fund LP, which is a limited partnership formed under the laws of the Province of Ontario, pursuant to a limited partnership agreement. RBC Global Asset Management Inc. (“RBC GAM”) is the manager, portfolio manager, distributor and one of the registrars of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. RBC GAM is also the trustee of those mutual fund trusts governed by the laws of the Province of Ontario. With the exception of the RBC Vision Fossil Fuel Free Global Equity Fund LP, the financial statements of which were approved by its General Partner, GAM Fund GP Inc. on March 7, 2024, these financial statements were approved for issuance by the Board of Directors of RBC GAM on March 7, 2024.

The Funds may issue an unlimited number of units in some or all of Series A, Series I, Series N, Series F, Series O, Series OL and Series P.

Series A, Series I, Series F, Series O and Series OL units are only available to large private or institutional investors as may be determined from time to time on a case-by-case basis. Series N and Series P units are only available to related funds. Series O and Series OL units may only be purchased, switched or redeemed through RBC GAM or in certain circumstances, Phillips, Hager & North Investment Funds Ltd.

RBC Vision Fossil Fuel Free Global Equity Fund LP is divided into one general partner unit, representing the interest in the Fund held by its General Partner, and Series O units representing interests in the Fund held by its limited partner unitholders. “Redeemable units” for this Fund means redeemable partnership units.

2. Financial year

The Statements of Financial Position are prepared as at December 31, 2023 and December 31, 2022, as applicable, and the Statements of Comprehensive Income, Statements of Cash Flow, and Statements of Changes in NAV are prepared for the years ended December 31, 2023 and December 31, 2022, except for those Funds established during either year, in which case, the information is

presented from the start date as described in the Notes to Financial Statements – Fund Specific Information to December 31 of that year.

3. Material accounting policy information

These financial statements have been prepared in accordance with IFRS Accounting Standards. The material accounting policy information of the Funds is as follows:

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the Funds classifies its investment portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets and liabilities is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds’ debt securities that are solely principal and interest are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model objectives. Consequently, all investments are measured at fair value through profit and loss (“FVTPL”). Derivative assets and liabilities are also measured at FVTPL.

The Funds’ obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost, which approximates fair value given their short-term nature.

Offsetting Financial Assets and Liabilities In the normal course of business, the Funds may enter into various International Swaps and Derivatives Association master netting agreements or other similar arrangements with certain counterparties that allow for related amounts to be offset in certain circumstances, such as bankruptcy or termination of contracts. Offsetting information, where applicable, is presented in the Notes to Financial Statements – Fund Specific Information.

Collateral received represents amounts held by a counterparty or custodian on behalf of the Funds and can be in the form of securities and cash. Cash received as collateral is included in the Statements of Financial Position, whereas securities received are not included. Collateral pledged represents amounts held by the Funds’ custodian/counterparty on behalf of the counterparty and can be in the form of cash and securities. Cash pledged as

December 31, 2023

collateral is included in the Statements of Financial Position, while securities pledged as collateral are identified on the respective Fund's Schedule of Investment Portfolio.

Classification of Redeemable Units The Funds have multiple features across the different series of the Funds. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

Unconsolidated Structured Entities The Funds may invest in other Funds and exchange-traded funds ("ETFs") managed by the manager or an affiliate of the manager ("sponsored funds") and may invest in other funds and ETFs managed by unaffiliated entities ("unsponsored funds"); collectively, "underlying funds." The underlying funds are determined to be unconsolidated structured entities, as decision making in the underlying fund is not governed by the voting rights or other similar rights held by the Fund. The investments in underlying funds are subject to the terms and conditions of the offering documents of the respective underlying funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds. The underlying funds' objectives are generally to achieve long-term capital appreciation and/or current income by investing in a portfolio of securities and other funds in line with each of their documented investment strategies. The underlying funds apply various investment strategies to accomplish their respective investment objectives.

The underlying funds finance their operations by issuing redeemable units which are puttable at the unitholder's option, and entitle the unitholder to a proportional stake in the respective underlying funds' NAV.

The Funds do not consolidate their investment in underlying funds but account for these investments at fair value. The manager has determined that the Funds are investment entities in accordance with IFRS 10 Consolidated Financial Statements, since the Funds meet the following criteria:

- (i) The Funds obtain capital from one or more investors for the purpose of providing those investors with investment management services,
- (ii) The Funds commit to their investors that their business purpose is to invest funds solely for the returns from capital appreciation, investment income or both, and
- (iii) The Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

Therefore, the fair value of investments in the underlying funds is included in the Schedule of Investment Portfolio and included in "Investments at fair value" in the Funds' Statements of Financial Position. The change in fair value of the investment held in the underlying funds is included in "Change in unrealized gain (loss) on investments and derivatives" in the Statements of Comprehensive Income.

Certain Funds may invest in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

Determination of Fair Value The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a three-tier hierarchy based on inputs is used to value the Funds' financial instruments. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), including broker quotes, vendor prices, vendor fair value factors and prices of underlying funds that are not daily traded; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The three-tier hierarchy of investments and derivatives is included in Notes to Financial Statements – Fund Specific Information.

December 31, 2023

Investments and derivatives are recorded at fair value, which is determined as follows:

Equities – Common shares and preferred shares are valued at the closing price as recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Fixed-Income and Debt Securities – Bonds, mortgage-backed securities, loans, debentures and other debt securities are valued at the mid price quoted by major dealers or independent pricing vendors in such securities.

NHA-approved mortgages are valued at an amount which produces a yield equivalent to the prevailing rate of return on mortgages of similar type and term.

Short-Term Investments – Short-term investments are valued at cost plus accrued interest, which approximates fair value.

Options – Options give the purchaser the right, but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price during the specified period or on a specified date.

Listed options are valued at the closing price on the recognized exchange on which the option is traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Options purchased and options written (sold) are recorded as investments in the Statements of Financial Position. These investments are reported at fair value in the Statements of Financial Position, and unrealized gain or loss at the close of business on each valuation date is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income.

When an option is exercised and the underlying securities are acquired or delivered, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed the Fund will realize a gain or loss equal to the difference between the premium and the cost to close the position. When an option expires, gains or losses are realized equivalent to the amount of premiums received or paid, respectively. The net realized gains (losses) on written and purchased options are included in the Statements of Comprehensive Income in “Net realized gain (loss) on investments.”

Warrants – Warrants are valued using a recognized option pricing model, which includes factors such as the terms of the warrant, time value of money and volatility inputs that are significant to such valuation.

Warrants are recorded as investments and reported at fair value in the Statements of Financial Position. Any unrealized gain or loss at the close of business on each valuation date is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income. When warrants are exercised or have expired, the net realized gains (losses) are included in the Statements of Comprehensive Income in “Net realized gain (loss) on investments.”

Forward Contracts – Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. The unrealized gain or loss on forward contracts is recorded separately in the Statements of Financial Position. Any unrealized gain or loss on foreign exchange contracts and bond forwards at the close of business on each valuation date is recorded as “Change in unrealized gain (loss) on investments and derivatives” and realized gain or loss is included in “Derivative income (loss)” in the Statements of Comprehensive Income.

Futures Contracts – Futures contracts entered into by the Funds are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the Funds do not intend to purchase or sell the financial instrument on the settlement date; rather, they intend to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. Futures contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. Any gain or loss at the close of business on each valuation date is recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. The receivable/payable on futures contracts is recorded separately in the Statements of Financial Position.

Total Return Swaps – A total return swap is an agreement by which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements

December 31, 2023

of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position, as applicable. The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Interest Rate Swap Contracts – Interest rate swaps are agreements between two parties to exchange periodic interest payments based on a notional principal amount. The net periodic payments received from interest rate swap contracts are recorded as “Interest for distribution purposes” and paid are recorded as “Interest expense” in the Statements of Comprehensive Income. Payments received or paid when the Fund enters into the contract are recorded as an asset or liability in the Statements of Financial Position. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Interest rate swap contracts are valued based upon quotations from independent sources.

Credit Default Swap Contracts – Credit default swaps are agreements between a protection buyer and protection seller. The protection buyer pays a periodic fee in exchange for a payment by the protection seller contingent on the occurrence of a credit event, such as a default, bankruptcy or restructuring, with respect to a referenced entity. Periodic fees received are recorded as “Interest for distribution purposes” and paid are recorded as “Interest expense” in the Statements of Comprehensive Income. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Credit default swap contracts are valued based on quotations from independent sources.

Cross-Currency Swaps – A cross-currency swap is an agreement between two parties to exchange interest payments and principals denominated in two different currencies. Cross-currency swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments and derivatives” in the Statements of Comprehensive Income. When the swap contract is

terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position. The risks of cross-currency swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Securities Sold Short – Certain Funds may enter into short sales transactions. Short sales are transactions in which a Fund sells an investment that it may not own. A Fund may make short sales of investments (i) to offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Fund, (iii) for investment return, (iv) as part of a risk arbitrage strategy, and (v) as part of its overall portfolio management strategies involving the use of derivative instruments. When a Fund engages in a short sale, it may borrow the security sold short and deliver it to the counterparty. Securities sold short are reflected as “Investments in securities sold short” on the Statements of Financial Position. A Fund will ordinarily have to pay a fee or premium to borrow a security and be obligated to repay the lender of the security any dividend or interest that accrues on the security during the period of the loan. Such fees payable, as applicable, are reflected as “Stock loan fee payable” on the Statements of Financial Position. The fee incurred is reflected as “Stock loan fee” on the Statements of Comprehensive Income. Dividends payable on such securities, as applicable, are reflected as “Dividends payable on short sales” on the Statements of Financial Position. Dividends on such investments, if any, are reflected as “Dividends on short sales” on the Statements of Comprehensive Income.

Underlying Funds – Underlying funds that are not exchange-traded funds are valued at their respective NAV per unit from fund companies on the relevant valuation dates and underlying funds that are exchange-traded funds are valued at market close on the relevant valuation dates.

Fair Valuation of Investments – The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Procedures are in place to determine the fair value of foreign securities traded in

December 31, 2023

countries outside of North America daily to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

Management also has procedures where the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, NAV per unit (for exchange-traded funds), recent transactions, market multiples, book values and other relevant information for the investment to determine its fair value. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

All security valuation techniques are periodically reviewed by the Valuation Committee (“VC”) of the manager and are approved by the manager. The VC provides oversight of the Funds’ valuation policies and procedures.

Cash Cash is comprised of cash and deposits with banks and is recorded at amortized cost. The carrying amount of cash approximates its fair value because it is short term in nature.

Margin Margin accounts represent margin deposits held with brokers in respect of derivatives contracts.

Functional Currency The Funds, with the exceptions below, have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the Funds. RBC Alpha Plus U.S. Equity Fund and RBC QUBE Market Neutral World Equity Fund (collectively, the “USD Funds”) have their subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for these Funds.

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars (U.S. dollars in the case of the USD Funds) at the rate of exchange on each valuation date. Gains/losses on foreign cash balances are included in “Net gain (loss) on foreign cash balances” in the Statements of Comprehensive Income. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign

exchange gains/losses on spot and forward currency contracts are included in “Derivative income (loss)” in the Statements of Comprehensive Income.

Valuation of Series A different NAV is calculated for each series of units of a Fund. The NAV of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative NAV of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date. Stock loan fees and transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Comprehensive Income for the period. The unrealized gain and loss on investments is the difference between fair value and average cost for the period. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost which does not include amortization of premiums or discounts on fixed-income and debt securities with the exception of zero coupon bonds and short-term investments.

Income Recognition Dividend income is recognized on the ex-dividend date and interest for distribution purposes is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds. “Income from investment trusts” includes income from underlying funds and other trusts. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized. Interest payments made by the Funds to counterparties on the payable leg of derivative contracts are recorded as “Interest expense” in the Statements of Comprehensive Income.

Increase (Decrease) in NAV per Unit Increase (decrease) in NAV per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units by series, divided by the average units outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems

December 31, 2023

or switches out units within seven days of purchasing or previously switching into a Fund. These amounts are included in the Statements of Changes in NAV.

Prepaid Subscriptions Prepaid subscriptions represent amounts received from unitholders for subscriptions with an effective date after the period end date.

Foreign Currencies The following is a list of abbreviations used in the Schedule of Investment Portfolio:

AUD – Australian dollar	INR – Indian rupee
BRL – Brazilian real	JPY – Japanese yen
CAD – Canadian dollar	KRW – South Korean won
CHF – Swiss franc	MXN – Mexican peso
CLP – Chilean peso	MYR – Malaysian ringgit
CNH – Chinese renminbi	NOK – Norwegian krone
COP – Colombian peso	NZD – New Zealand dollar
CZK – Czech koruna	PEN – Peruvian nuevo sol
DKK – Danish krone	PLN – Polish zloty
DOP – Dominican peso	RON – Romanian leu
EUR – Euro	SGD – Singapore dollar
GBP – Pound sterling	THB – Thailand baht
HKD – Hong Kong dollar	TWD – New Taiwan dollar
HUF – Hungarian forint	USD – United States dollar
IDR – Indonesian rupiah	ZAR – South African rand

In-Kind Transactions and Switches Between Different Series of the Same Fund

The Funds exclude non-cash transactions from their operating and financing activities within the Statements of Cash Flow. The primary differences between amounts issued and redeemed within the Statements of Changes in NAV and the Statements of Cash Flow relate to in-kind transactions and switches between series of the same Fund. Similarly, the “Cost of investments purchased” and “Proceeds from sale and maturity of investments” within the Statements of Cash Flow appropriately exclude in-kind transactions.

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the Funds’ accounting policies and making estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that management has made in preparing the financial statements.

Fair value measurement of securities not quoted in an active market

The Funds have established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed and consistently applied from period to period. The estimates of the value of the Funds’ assets and liabilities are believed to be appropriate as at the reporting date.

The Funds may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by management for the estimates used in determining fair value.

5. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital, which is its NAV and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio managers, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines and securities regulations.

Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, wars, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds’ investments and performance.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund’s direct risks and pro rata exposure to the risks of underlying funds, as applicable.

Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund may be exposed to daily, weekly or monthly cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

December 31, 2023

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund's Statements of Financial Position. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. All other receivables, amounts due from brokers, cash, margin and short-term deposits are held with counterparties with a credit rating of BBB- or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 7). RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

Concentration risk

Concentration risk arises as a result of net financial instrument exposures to the same category, such as geographical region, asset type, industry sector or market segment. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions.

Interest rate risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Certain Funds trade in debt securities, some of which are variable rate and have an inter-bank linked interest rate. Such debt securities may potentially be transitioned to an alternative benchmark before the Funds dispose of their

investments. The impact of this transition, if any, will be captured in the change in fair value of these investments and is not expected to be significant to each Fund.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency risk as disclosed in the Fund Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of a Fund.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. In addition, a short sale by a Fund requires the Fund to borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to be paid back by a Fund before the Fund wants to do so, possibly requiring the Fund to borrow the security elsewhere or purchase the security on the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. The borrowing fee may increase during the borrowing period, adding to the expense of the short sale strategy. There is also no guarantee that the securities sold short can be repurchased by a Fund due to supply and demand constraints in the equity markets. Finally, in order to maintain the appropriate ratios between the long portfolio and the short portfolio of a Fund, the Manager may be

December 31, 2023

required to buy or sell short securities at unattractive prices. The maximum risk resulting for financial instruments held long is determined by the fair value of the instrument.

6. Taxes

The Funds qualify as mutual fund trusts or unit trusts under the *Income Tax Act* (Canada) except the RBC Vision Fossil Free Global Equity Fund LP (see Taxes note in Fund Specific Information). In general, the Funds are subject to income tax; however, no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In addition, for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years.

7. Securities lending revenue

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

8. Administrative and other related-party transactions

Manager and Portfolio Manager

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager and portfolio manager of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, provides investment advice and portfolio management services to the

Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. The management fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. No management fees are paid by the Funds with respect to Series O and Series OL units. Series O and Series OL unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services. As described in the Notes to Financial Statements – Fund Specific Information of the Fund, for certain Funds, RBC GAM is also paid performance fees. Performance fees are calculated and accrued on the last business day of each month and are payable to RBC GAM on the last business day of each year prior to giving effect to redemptions on such date.

The Funds pay a fixed administration fee to RBC GAM. The fixed administration fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and interim reports, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including any costs and expenses of the Independent Review Committee ("IRC") of the Funds that are not related to annual fees, meeting fees and reimbursement for expenses to members of the IRC, the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, "other fund costs"), and taxes (including, but not limited to, GST/HST). RBC GAM, not the Funds, is responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the IRC. Other fund costs will be allocated proportionately to each series based upon the relative NAV of each series. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest in units of other Funds managed by RBC GAM or its affiliates ("underlying funds"). A Fund will not invest in units of an underlying fund if the Fund would be required to pay any management or incentive fees in respect of that investment that a reasonable person would believe

December 31, 2023

duplicates a fee payable by the underlying fund for the same service. To the extent a Fund invests in underlying funds managed by RBC GAM or its affiliates, the fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the Fund. However, a Fund may only invest in one or more underlying funds provided that no management fees or incentive fees are payable that would duplicate a fee payable by the underlying fund for the same service. The Fund's ownership interest in underlying funds is disclosed in the Notes to Financial Statements – Fund Specific Information.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Funds, 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 Funds 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 Funds in the course of their normal business, all of which are wholly owned subsidiaries of Royal Bank of Canada, are discussed below.

Distributors

RBC GAM and RBC Dominion Securities Inc. are principal distributors of, or may distribute certain series of units of, the Funds.

Sub-Advisors

RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited are the sub-advisors of the BlueBay CMBS Opportunities Fund (Canada)*. RBC Global Asset Management (UK) Limited is the sub-advisor of the BlueBay Total Return Credit Fund (Canada)*, the BlueBay High Yield Asset-Backed Credit Fund (Canada)*, the BlueBay High Grade CLO Fund (CAD Hedged)*, RBC Vision Fossil Fuel Free Global Equity Fund LP and the RBC Global Equity Focus Pension Trust.

The sub-advisor earns a fee which is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. The sub-advisor is paid by the manager from the management fee paid by the Funds.

*Prior to April 1, 2023 BlueBay Asset Management LLP was a sub-advisor for these Funds.

Trustee

RBC GAM is the trustee for the Funds governed by the laws of the Province of Ontario. RBC IS is the trustee for the Funds governed by the laws of the Province of British Columbia. The trustee holds title to the Funds' property on behalf of the unitholders. The trustee earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Custodian

Unless specifically addressed in the Fund Specific Information, RBC IS is custodian of the Funds and holds the assets of the Funds. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Funds.

Registrars

RBC GAM and RBC IS are the registrars of the Funds and keep records of who owns units of the Funds. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Brokers and Dealers

The Funds have established or may establish standard brokerage agreements and dealing agreements at market rates with related parties such as RBC Dominion Securities Inc., RBC Capital Markets, LLC, RBC Europe Limited, NBC Securities Inc. and Royal Bank of Canada.

Securities Lending Agent

To the extent a 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.

Mortgage Administrator Agent

Royal Bank administers mortgages on behalf of the Funds. Royal Bank earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Other Related-Party Transactions

Pursuant to applicable exemptive relief, the Funds relied on the standing instructions from the IRC with respect to one or more of the following transactions:

December 31, 2023

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) 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

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

In addition, the Funds relied on standing instructions with respect to investments in 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 ("Related-Party Underwriting Activities").

These standing instructions require that the above transactions be conducted in accordance with RBC GAM policy and that RBC GAM advise the IRC of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities or Related-Party Underwriting 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 Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the funds (the "Funds") whose financial statements accompany this letter and approved by the Board of Directors of RBC GAM. We are responsible for the information contained within these financial statements.

We have maintained appropriate procedures and controls to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") (and they include certain amounts that are based on estimates and judgments). The significant accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, have performed an independent audit of the financial statements in accordance with IFRS. Their report is set out on the next page.



Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.
March 9, 2023



Heidi Johnston, CPA, CA
Chief Financial Officer
RBC GAM Funds

To the Unitholders and Trustee of

Phillips, Hager & North Institutional S.T.I.F.	Phillips, Hager & North PRisM Long Corporate Bond Trust	BlueBay High Yield Asset-Backed Credit Fund (Canada) (formerly, BlueBay High Yield Structured Credit Fund (Canada))
Phillips, Hager & North Short Investment Grade Corporate Bond Trust	Phillips, Hager & North Long Mortgage Pension Trust	BlueBay High Grade CLO Fund (CAD Hedged)
Phillips, Hager & North Short Core Plus Bond Fund	Phillips, Hager & North Conventional Plus Mortgage Fund	Phillips, Hager & North PRisM Balanced Fund
Phillips, Hager & North Municipal Plus Bond Fund	Phillips, Hager & North High Yield Mortgage Fund	Phillips, Hager & North Enhanced Long Government Bond Fund
Phillips, Hager & North Mortgage Pension Trust	Phillips, Hager & North Infrastructure Debt Fund	Phillips, Hager & North Enhanced PRisM Long Fund
BlueBay CMBS Opportunities Fund (Canada)	Phillips, Hager & North Long Bond Pension Trust	Phillips, Hager & North Absolute Return Fund
RBC Commercial Mortgage Fund	Phillips, Hager & North Enhanced Long Bond Pension Trust	RBC Multi-Strategy Alpha Fund
RBC Vision Future Solutions Bond Fund	Phillips, Hager & North Long Core Plus Bond Fund	RBC QUBE Market Neutral Canadian Equity Fund
Phillips, Hager & North Investment Grade Corporate Bond Trust	Phillips, Hager & North PRisM – Mid	Phillips, Hager & North Long/Short Canadian Equity Fund
Phillips, Hager & North U.S. Investment Grade Corporate Bond Trust (CAD Hedged)	Phillips, Hager & North PRisM – Long	RBC Fundamental Minimum Volatility Canadian Equity Fund
Phillips, Hager & North PRisM – Short	Phillips, Hager & North 20+ Strip Fund	Phillips, Hager & North Institutional Gold & Precious Metals Fund
Phillips, Hager & North Enhanced Total Return Bond Fund	Phillips, Hager & North Custom Interest Rate Overlay Fund	RBC Canadian Preferred Share Fund
Phillips, Hager & North Corporate Bond Trust	Phillips, Hager & North Custom Universe Provincial Spread Overlay Fund I	RBC Long/Short North American Equity Fund
Phillips, Hager & North Enhanced Corporate Bond Trust	Phillips, Hager & North Custom Universe Provincial Spread Overlay Fund II	RBC Alpha Plus U.S. Equity Fund
Phillips, Hager & North Private Placement Corporate Debt Fund	Canadian Custom Long Term Fixed Income Fund	RBC QUBE Market Neutral World Equity Fund (CAD Hedged)
Phillips, Hager & North Core Plus Bond Fund	Phillips, Hager & North Synthetic Floating Rate Fund	RBC QUBE Market Neutral World Equity Fund (CAD Hedged)
Phillips, Hager & North Multi-Strategy Credit Fund	Phillips, Hager & North PRisM Levered Government Bond Fund	RBC Global Equity Focus Pension Trust
Phillips, Hager & North Long Municipal Plus Bond Fund	BlueBay Total Return Credit Fund (Canada)	RBC QUBE Custom Global Equity Fund
Phillips, Hager & North Long Investment Grade Corporate Bond Trust	BlueBay Event Driven Credit Fund (Canada)	
Phillips, Hager & North Long Corporate Bond Trust		(individually, a Fund)

Our opinion

In our opinion, the accompanying December 31, 2022 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 2 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 2;
- the statements of comprehensive income for the periods indicated in note 2;
- the statements of cash flow for the periods indicated in note 2;
- the statements of changes in net assets attributable to holders of redeemable units (NAV) for the periods indicated in note 2; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 16, 2023



SCHEDULE OF INVESTMENT PORTFOLIO (in \$000s)
BLUEBAY HIGH YIELD ASSET-BACKED CREDIT FUND (CANADA)
formerly, BlueBay High Yield Structured Credit Fund (Canada)

December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
COLLATERALIZED LOAN OBLIGATIONS				
AB BSL CLO Ltd 10.789% Apr 15, 2034	1 500	1 722	1 818	
Aurium CLO II DAC 5.181% Jun 22, 2034	1 000	1 079	1 233	
Bain Capital Euro CLO 2021-1 DAC 10.198% Jul 15, 2034	500	562	516	
Bain Capital Euro CLO 2022-2 DAC 6.298% Jul 22, 2036	660	827	940	
Bain Capital Euro CLO 2022-2 DAC 7.708% Jul 22, 2036	890	1 092	1 246	
Bain Capital Euro CLO 2022-2 DAC 9.638% Jul 22, 2036	880	1 017	1 130	
BlueMountain EUR CLO 2016-1 DAC 3.993% Apr 25, 2032	1 000	1 200	1 242	
Capital Four US CLO I Ltd 11.124% Jan 18, 2035	1 000	1 103	1 166	
Capital Four US CLO III Ltd 10.431% Jan 21, 2035	750	953	969	
Carlyle Global Market Strategies CLO 2012-3 Ltd 7.511% Jan 14, 2032	1 000	1 163	1 162	
Contego CLO X DAC 6.500% Nov 15, 2036	1 000	1 301	1 418	
CVC Cordatus Loan Fund XV DAC 7.678% Aug 26, 2032	550	632	644	
Dryden 51 Euro CLO 2017 DAC 3.528% Jul 15, 2031	1 000	1 322	1 321	
Fidelity Grand Harbour Clo 2022-1 Designated Activity Co 7.883% Oct 15, 2036	750	943	1 046	
Harvest CLO XXIV DAC 10.248% Jul 15, 2034	500	561	529	
Penta CLO 7 DAC 4.643% Jan 25, 2033	1 250	1 527	1 559	
Tikehau CLO VII DAC 6.131% Oct 20, 2035	500	628	716	
Tikehau CLO VII DAC 7.561% Oct 20, 2035	500	622	695	
Toro European CLO 4 DAC 4.578% Jul 15, 2030	1 500	1 950	1 983	
TOTAL COLLATERALIZED LOAN OBLIGATIONS		20 204	21 333	48.5
MORTGAGE-BACKED SECURITIES				
Banc of America Merrill Lynch Commercial Mortgage Inc 3.000% Jul 01, 2049	1 500	1 617	1 545	
Delft 2020 BV 2.028% Oct 17, 2042	1 175	1 532	1 693	
Finsbury Square 4.058% Dec 16, 2067	870	1 319	1 388	
Freddie Mac STACR REMIC Trust 2022-DNA2 7.678% Feb 25, 2042	1 550	1 860	1 983	
Freddie Mac STACR REMIC Trust 2022-DNA3 8.278% Apr 25, 2042	195	231	254	
Freddie Mac STACR REMIC Trust 2022-HQA1 7.428% Mar 25, 2042	1 000	1 260	1 345	
Freddie Mac Structured Agency Credit Risk Debt Notes 6.578% Jul 25, 2042	443	569	603	
JP Morgan Chase Commercial Mortgage Securities Corp 4.384% Sep 01, 2050	1 000	1 081	1 059	
LAQ 2022-LAQ Mortgage Trust 7.948% Mar 15, 2039	1 125	1 400	1 490	
Madison Park Euro Funding XX DAC 5.796% Oct 15, 2036	750	952	1 074	
PFP III Ltd 6.600% Aug 19, 2035	1 000	1 318	1 330	
Wells Fargo Commercial Mortgage Trust 2015-C26 3.586% Feb 01, 2048	1 000	1 149	1 152	
TOTAL MORTGAGE-BACKED SECURITIES		14 288	14 916	33.9
TOTAL INVESTMENTS		34 492	36 249	82.4
CREDIT DEFAULT SWAPS (SCHEDULE A)		21	(31)	(0.1)
UNREALIZED GAIN ON FUTURES CONTRACTS (SCHEDULE B)		–	12	–
UNREALIZED LOSS ON FUTURES CONTRACTS (SCHEDULE B)		–	(11)	–
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE C)		–	335	0.8
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE C)		–	(1 405)	(3.2)
TOTAL PORTFOLIO		34 513	35 149	79.9
CASH			7 369	16.8
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			1 440	3.3
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			43 958	100.0

The accompanying notes are an integral part of the financial statements.



SCHEDULE A

Credit Default Swaps

Reference Entity	Notional Amount (000s)	Currency	Pay/Receive Fixed Rate	Fixed Rate (%)	Expiration Date	Counterparty	Credit Rating	Cost (\$)	Fair Value (\$)	% of Net Assets
Markit CDX North America High Yield Index	(2 445)	USD	Pay	5.00	20-Dec-2027	Citigroup Inc.	A	12	(19)	(0.1)
Markit CDX North America High Yield Index	(1 570)	USD	Pay	5.00	20-Dec-2027	Citigroup Inc.	A	9	(12)	–
TOTAL CREDIT DEFAULT SWAPS								21	(31)	(0.1)

SCHEDULE B

Futures Contracts

	Number of Contracts	Contracted Value (\$)	Unrealized Gain (\$)
Euro-Schatz Future, March 2023 Contracts at EUR 105.42 per contract	(7)	(1 064)	12
Unrealized gain		(1 064)	12
	Number of Contracts	Contracted Value (\$)	Unrealized Loss (\$)
United States 2-Year Note Future, March 2023 Contracts at USD 102.54 per contract	(4)	(1 093)	(2)
United States 3-Year Note Future, March 2023 Contracts at USD 104.78 per contract	(11)	(3 069)	(9)
Unrealized loss		(4 162)	(11)
TOTAL FUTURES		(5 226)	1

SCHEDULE C

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought EUR 50 Sold CAD 68 @ 1.4513	19-Jan-2023	5
Bought EUR 5 Sold CAD 6 @ 1.4513	19-Jan-2023	–
Bought CAD 23 735 Sold USD 17 301 @ 1.3539	19-Jan-2023	314
Bought EUR 21 Sold CAD 29 @ 1.4513	19-Jan-2023	2
Bought CAD 62 Sold USD 45 @ 1.3539	19-Jan-2023	1
Bought USD 61 Sold CAD 83 @ 1.3539	19-Jan-2023	–
Bought EUR 63 Sold CAD 86 @ 1.4513	19-Jan-2023	6
Bought EUR 17 Sold CAD 23 @ 1.4513	19-Jan-2023	2
Bought USD 64 Sold CAD 86 @ 1.3539	19-Jan-2023	–
Bought USD 6 Sold CAD 7 @ 1.3539	19-Jan-2023	–
Bought USD 47 Sold CAD 63 @ 1.3539	19-Jan-2023	1
Bought USD 4 Sold CAD 6 @ 1.3539	19-Jan-2023	–
Bought USD 5 Sold CAD 6 @ 1.3539	19-Jan-2023	–
Bought EUR 29 Sold CAD 40 @ 1.4513	19-Jan-2023	1
Bought EUR 40 Sold CAD 56 @ 1.4513	19-Jan-2023	1
Bought USD 25 Sold CAD 33 @ 1.3539	19-Jan-2023	–
Bought CAD 96 Sold USD 70 @ 1.3539	19-Jan-2023	1
Bought CAD 67 Sold USD 50 @ 1.3539	19-Jan-2023	–
Bought CAD 54 Sold EUR 37 @ 1.4513	19-Jan-2023	–
Bought CAD 63 Sold USD 46 @ 1.3539	19-Jan-2023	–
Bought CAD 52 Sold USD 38 @ 1.3539	19-Jan-2023	–
Bought USD 157 Sold CAD 211 @ 1.3539	19-Jan-2023	1
Bought CAD 83 Sold USD 61 @ 1.3539	19-Jan-2023	–
		335

Contracts	Maturity Date	Unrealized Loss (\$)
Bought USD 27 Sold CAD 37 @ 1.3539	19-Jan-2023	(1)
Bought CAD 1 475 Sold GBP 944 @ 1.6377	19-Jan-2023	(70)
Bought CAD 15 094 Sold EUR 11 131 @ 1.4513	19-Jan-2023	(1 061)
Bought USD 3 750 Sold CAD 5 084 @ 1.3539	19-Jan-2023	(7)
Bought CAD 820 Sold EUR 600 @ 1.4513	19-Jan-2023	(51)
Bought USD 32 Sold CAD 44 @ 1.3539	19-Jan-2023	–
Bought CAD 96 Sold EUR 71 @ 1.4513	19-Jan-2023	(7)
Bought USD 28 Sold CAD 38 @ 1.3539	19-Jan-2023	–
Bought USD 17 Sold CAD 23 @ 1.3539	19-Jan-2023	–
Bought CAD 2 434 Sold EUR 1 800 @ 1.4513	19-Jan-2023	(179)



SCHEDULE C (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss (\$)
Bought CAD 125 Sold USD 93 @ 1.3539	19-Jan-2023	–
Bought CAD 94 Sold EUR 69 @ 1.4513	19-Jan-2023	(6)
Bought CAD 70 Sold USD 53 @ 1.3539	19-Jan-2023	(1)
Bought CAD 191 Sold EUR 139 @ 1.4513	19-Jan-2023	(10)
Bought CAD 106 Sold EUR 77 @ 1.4513	19-Jan-2023	(5)
Bought CAD 156 Sold USD 117 @ 1.3539	19-Jan-2023	(3)
Bought CAD 124 Sold USD 93 @ 1.3539	19-Jan-2023	(2)
Bought CAD 92 Sold USD 68 @ 1.3539	19-Jan-2023	(1)
Bought CAD 69 Sold EUR 48 @ 1.4513	19-Jan-2023	(1)
Bought USD 20 Sold CAD 26 @ 1.3539	19-Jan-2023	–
Bought USD 22 Sold CAD 30 @ 1.3539	19-Jan-2023	–
Bought CAD 74 Sold EUR 52 @ 1.4513	19-Jan-2023	–
Bought USD 9 Sold CAD 12 @ 1.3539	19-Jan-2023	–
Bought CAD 133 Sold EUR 92 @ 1.4513	19-Jan-2023	–
Bought EUR 14 Sold CAD 20 @ 1.4513	19-Jan-2023	–
Bought USD 3 Sold CAD 4 @ 1.3539	19-Jan-2023	–
Bought USD 3 Sold CAD 4 @ 1.3539	19-Jan-2023	–
Bought CAD 42 Sold GBP 26 @ 1.6377	19-Jan-2023	–
Bought USD 56 Sold CAD 76 @ 1.3539	19-Jan-2023	–
		(1 405)
TOTAL FOREIGN EXCHANGE		(1 070)

All counterparties have a credit rating of at least A.



BLUEBAY HIGH YIELD ASSET-BACKED CREDIT FUND (CANADA)

formerly, BlueBay High Yield Structured Credit Fund (Canada)

Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2022
ASSETS	
Investments at fair value	\$ 36 249
Cash	7 369
Unrealized gain on futures contracts	12
Margin receivable	2 035
Unrealized gain on foreign exchange contracts	335
Dividends receivable, interest accrued and other assets	363
TOTAL ASSETS	46 363
LIABILITIES	
Due to investment dealers	953
Payable on open swap contracts	31
Unrealized loss on futures contracts	11
Unrealized loss on foreign exchange contracts	1 405
Accounts payable and accrued expenses	5
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	2 405
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 43 958
Investments at cost	\$ 34 513
NAV	
SERIES F	\$ 1
SERIES O	\$ 43 957
NAV PER UNIT	
SERIES F	\$ 9.93
SERIES O	\$ 9.96

Statements of Comprehensive Income

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	For the periods ended December 31 2022
INCOME (see note 3 in the generic notes)	
Interest for distribution purposes	\$ 1 196
Interest expense	(126)
Derivative income (loss)	(1 487)
Net realized gain (loss) on investments	388
Change in unrealized gain (loss) on investments	635
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	606
Other income (loss)	(4)
Net gain (loss) on foreign cash balances	138
TOTAL OTHER INCOME (LOSS)	134
TOTAL INCOME (LOSS)	740
EXPENSES (see notes – Fund Specific Information)	
Management fees	–
Administration fees	27
GST/HST	3
TOTAL EXPENSES	30
INCREASE (DECREASE) IN NAV	\$ 710
INCREASE (DECREASE) IN NAV	
SERIES F	\$ –
SERIES O	\$ 710
INCREASE (DECREASE) IN NAV PER UNIT	
SERIES F	\$ 0.13
SERIES O	\$ 0.22



Statements of Cash Flow (in \$000s)

For the periods ended December 31
(see note 2 in the generic notes)

	2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in NAV	\$ 710
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS	
Interest for distribution purposes	–
Non-cash dividends	–
Non-cash distributions from underlying funds	–
Net realized loss (gain) on investments	(388)
Change in unrealized loss (gain) on investments	(635)
(Increase) decrease in accrued receivables	(375)
Increase (decrease) in accrued payables	16
(Increase) decrease in margin accounts	(2 035)
Cost of investments purchased*	(32 219)
Proceeds from sale and maturity of investments*	29 336
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(5 590)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units*	12 959
Cash paid on redemption of redeemable units*	–
Distributions paid to holders of redeemable units	–
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ 12 959
Net increase (decrease) in cash for the period	7 369
Cash (bank overdraft), beginning of period	–
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 7 369
Interest received (paid) [†]	\$ 706
Income from investment trusts received (paid) ^{†‡}	\$ –
Dividends received (paid) ^{†‡}	\$ –

* Excludes in-kind transactions.

† Classified as part of operating activities.

‡ Net of withholding taxes, if applicable.



BLUEBAY HIGH YIELD ASSET-BACKED CREDIT FUND (CANADA)

formerly, BlueBay High Yield Structured Credit Fund (Canada)

Statements of Changes in NAV *(in \$000s)*

For the periods ended December 31 (see note 2 in the generic notes)	Series F	Series O	Total
	2022	2022	2022
NAV AT BEGINNING OF PERIOD	\$ –	\$ –	\$ –
INCREASE (DECREASE) IN NAV	–	710	710
Early redemption fees	–	–	–
Proceeds from redeemable units issued	1	43 247	43 248
Reinvestments of distributions to holders of redeemable units	–	850	850
Redemption of redeemable units	–	–	–
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	1	44 097	44 098
Distributions from net income	–	(850)	(850)
Distributions from net gains	–	–	–
Distributions from capital	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	–	(850)	(850)
NET INCREASE (DECREASE) IN NAV	1	43 957	43 958
NAV AT END OF PERIOD	\$ 1	\$ 43 957	\$ 43 958



General information (see note 1 in the generic notes)

The Fund seeks to provide returns comprised of interest income and modest capital appreciation by investing primarily in structured credit securities, which are asset-backed debt securities. The Fund may engage in borrowing and/or derivatives for investment purposes.

The Fund was started March 21, 2022.

Financial instrument risk and capital management (see note 5 in the generic notes)

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	December 31 2022
AAA	12.1
AA	3.9
A	12.8
BBB	45.6
BB	22.7
B	2.9
Total	100.0

Concentration risk (%)

The table below summarizes the Fund's investment exposure (after consideration of derivative products, if any) as at:

Investment mix	December 31 2022
Loans	48.5
Mortgage-Backed Securities	33.9
Cash/Other	17.6
Total	100.0

Interest rate risk (%)

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	December 31 2022
Less than 1 year	–
1 – 5 years	–
5 – 10 years	17.5
> 10 years	82.5
Total	100.0

As at December 31, 2022, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 3.6%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of NAV)

Since the currency risk of the Fund has been hedged using foreign exchange contracts, the Fund has minimal sensitivity to changes in foreign exchange rates.

Fair value hierarchy (\$000s except % amounts) (see note 3 in the generic notes)

The following is a summary of the inputs used as of December 31, 2022.

December 31, 2022	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	36 249	–	36 249
Short-term investments	–	–	–	–
Derivatives – assets	12	335	–	347
Derivatives – liabilities	(11)	(1 436)	–	(1 447)
Total financial instruments	1	35 148	–	35 149
% of total portfolio	–	100.0	–	100.0

For the period ended December 31, 2022, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.

Management fees and administration fees (see note 8 in the generic notes)

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 NAV of each series of the Fund.

	Management fees	Administration fees
Series F	0.90%	0.10%
Series O	n/a*	0.10%

* Series O unitholders pay a negotiated management fee directly to RBC GAM for investment-counselling services.



**Investments by related parties
(\$000s except unit amounts)**

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	December 31 2022
Units held	
Series F	102
Series O	4 412 367
Value of all units	43 955

Taxes (\$000s) (see note 6 in the generic notes)

The Fund had no capital or non-capital losses as at December 31, 2022.

Redeemable units (000s)

There is no limitation on the number of units available for issue. Units are purchased and redeemed at the NAV per unit.

For the periods ended December 31
(see note 2 in the generic notes)

	2022
Series F	
Opening units	–
Issued number of units	–
Reinvested number of units	–
Redeemed number of units	–
Ending number of units	–
Series O	
Opening units	–
Issued number of units	4 324
Reinvested number of units	88
Redeemed number of units	–
Ending number of units	4 412

**Offsetting financial assets and liabilities (\$000s)
(see note 3 in the generic notes)**

The following is a summary of the amounts for which the Fund has a legal right to offset in the event of default, insolvency or bankruptcy. “Net amount” represents the impact to the Fund if all set-off rights were to be exercised.

December 31, 2022	Assets	Liabilities
Gross amounts – assets (liabilities)	335	(1 436)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	335	(1 436)
Related amounts not set-off	(245)	245
Collateral (received) pledged	–	43
Net amount	90	(1 148)

1. The Funds

The funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of British Columbia or Ontario and governed by a Master Declaration of Trust. RBC GAM is the manager, portfolio manager, distributor and one of the registrars of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. RBC GAM is also the trustee of those Funds governed by the laws of the Province of Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on March 9, 2023.

The Funds may issue an unlimited number of units in some or all of Series A, Series I, Series N, Series E, Series O, Series OL and Series P.

Series A, Series I, Series E, Series O and Series OL units are only available to large private or institutional investors as may be determined from time to time on a case-by-case basis. Series N and Series P units are only available to related funds. Series O and Series OL units may only be purchased, switched or redeemed through RBC GAM or in certain circumstances, Phillips, Hager & North Investment Funds Ltd.

2. Financial year

The information provided in these financial statements and notes thereto is as at December 31, 2022 and December 31, 2021, as applicable, and for the 12-month periods ended December 31, 2022 and December 31, 2021, as applicable, except for Funds or series established during either period, in which case the information for the Fund, or series, is provided for the period from the start date as described in the Notes to Financial Statements – Fund Specific Information of the Fund.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The significant accounting policies of the Funds are as follows:

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the Funds classifies its investment portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets and liabilities is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds’ debt securities that are solely principal and interest are

neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model objectives. Consequently, all investments are measured at fair value through profit and loss (“FVTPL”). Derivative assets and liabilities are also measured at FVTPL.

The Funds’ obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost.

Offsetting Financial Assets and Liabilities In the normal course of business, the Funds may enter into various International Swaps and Derivatives Association master netting agreements or other similar arrangements with certain counterparties that allow for related amounts to be offset in certain circumstances, such as bankruptcy or termination of contracts. Offsetting information, where applicable, is presented in the Notes to Financial Statements – Fund Specific Information.

Collateral received represents amounts held by a counterparty or custodian on behalf of the Funds and accordingly not presented in the Statements of Financial Position. Collateral pledged represents amounts held by the Funds’ custodian/counterparty on behalf of the counterparty and can be in the form of cash and securities. Cash pledged as collateral is included in the Statements of Financial Position, while securities pledged as collateral are identified on the respective Fund’s Schedule of Investment Portfolio.

Classification of Redeemable Units The Funds have multiple features across the different series of the Funds. Consequently, the Funds’ outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

Unconsolidated Structured Entities The Funds may invest in other Funds and exchange-traded funds (“ETFs”) managed by the manager or an affiliate of the manager (“sponsored funds”) and may invest in other funds and ETFs managed by unaffiliated entities (“unsponsored funds”); collectively, “underlying funds.” The underlying funds are determined to be unconsolidated structured entities, as decision making in the underlying fund is not governed by the voting rights or other similar rights held by the Fund. The investments in underlying funds are subject to the terms and conditions of

December 31, 2022

the offering documents of the respective underlying funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds. The underlying funds' objectives are generally to achieve long-term capital appreciation and/or current income by investing in a portfolio of securities and other funds in line with each of their documented investment strategies. The underlying funds apply various investment strategies to accomplish their respective investment objectives.

The underlying funds finance their operations by issuing redeemable units which are puttable at the unitholder's option, and entitle the unitholder to a proportional stake in the respective underlying funds' NAV.

The Funds do not consolidate their investment in underlying funds but account for these investments at fair value. The manager has determined that the Funds are investment entities in accordance with IFRS 10 Consolidated Financial Statements, since the Funds meet the following criteria:

- (i) The Funds obtain capital from one or more investors for the purpose of providing those investors with investment management services,
- (ii) The Funds commit to their investors that their business purpose is to invest funds solely for the returns from capital appreciation, investment income or both, and
- (iii) The Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

Therefore, the fair value of investments in the underlying funds is included in the Schedule of Investment Portfolio and included in "Investments at fair value" in the Funds' Statements of Financial Position. The change in fair value of the investment held in the underlying funds is included in "Change in unrealized gain (loss) on investments" in the Statements of Comprehensive Income.

Certain Funds may invest in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and

student loans. The Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

Determination of Fair Value The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a three-tier hierarchy based on inputs is used to value the Funds' financial instruments. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), including broker quotes, vendor prices, vendor fair value factors and prices of underlying funds that are not daily traded; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The three-tier hierarchy of investments and derivatives is included in Notes to Financial Statements – Fund Specific Information.

Investments and derivatives are recorded at fair value, which is determined as follows:

Equities – Common shares and preferred shares are valued at the closing price as recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Fixed-Income and Debt Securities – Bonds, mortgage-backed securities, loans, debentures and other debt securities are valued at the mid price quoted by major dealers or independent pricing vendors in such securities.

NHA-approved mortgages are valued at an amount which produces a yield equivalent to the prevailing rate of return on mortgages of similar type and term.

December 31, 2022

Short-Term Investments – Short-term investments are valued at cost plus accrued interest, which approximates fair value.

Options – Options give the purchaser the right, but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price during the specified period or on a specified date.

Listed options are valued at the closing price on the recognized exchange on which the option is traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Options purchased and options written (sold) are recorded as investments in the Statements of Financial Position. These investments are reported at fair value in the Statements of Financial Position, and unrealized gain or loss at the close of business on each valuation date is recorded in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income.

When an option is exercised and the underlying securities are acquired or delivered, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed the Fund will realize a gain or loss equal to the difference between the premium and the cost to close the position. When an option expires, gains or losses are realized equivalent to the amount of premiums received or paid, respectively. The net realized gains (losses) on written and purchased options are included in the Statements of Comprehensive Income in “Net realized gain (loss) on investments.”

Warrants – Warrants are valued using a recognized option pricing model, which includes factors such as the terms of the warrant, time value of money and volatility inputs that are significant to such valuation.

Forward Contracts – Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. The receivable/payable on forward contracts is recorded separately in the Statements of Financial Position. Any unrealized gain or loss at the close of business on each valuation date is recorded as “Change in unrealized gain (loss) on investments” and realized gain or loss on foreign exchange contracts and realized gain or loss on bond forwards are included in “Derivative income (loss)” in the Statements of Comprehensive Income.

Futures Contracts – Futures contracts entered into by the Funds are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the Funds do not intend to purchase or sell the financial instrument on the settlement date; rather, they intend to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. Futures contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. Any gain or loss at the close of business on each valuation date is recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. The receivable/payable on futures contracts is recorded separately in the Statements of Financial Position.

Total Return Swaps – A total return swap is an agreement by which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position, as applicable. The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Interest Rate Swap Contracts – Interest rate swaps are agreements between two parties to exchange periodic interest payments based on a notional principal amount. The net periodic payments received or paid from interest rate swap contracts are recorded as “Interest for distribution purposes” in the Statements of Comprehensive Income. Payments received or paid when the Fund enters into the contract are recorded as an asset or liability in the Statements of Financial Position. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Interest rate swap contracts are valued based upon quotations from independent sources.

December 31, 2022

Credit Default Swap Contracts – Credit default swaps are agreements between a protection buyer and protection seller. The protection buyer pays a periodic fee in exchange for a payment by the protection seller contingent on the occurrence of a credit event, such as a default, bankruptcy or restructuring, with respect to a referenced entity. Periodic fees paid or received are recorded as “Interest for distribution purposes” in the Statements of Comprehensive Income. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Credit default swap contracts are valued based on quotations from independent sources.

Cross-Currency Swaps – A cross-currency swap is an agreement between two parties to exchange interest payments and principals denominated in two different currencies. Cross-currency swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position. The risks of cross-currency swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Securities Sold Short – Certain Funds may enter into short sales transactions. Short sales are transactions in which a Fund sells an investment that it may not own. A Fund may make short sales of investments (i) to offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Fund, (iii) for investment return, (iv) as part of a risk arbitrage strategy, and (v) as part of its overall portfolio management strategies involving the use of derivative instruments. When a Fund engages in a short sale, it may borrow the security sold short and deliver it to the counterparty. Securities sold short are reflected as “Investments in securities sold short” on the Statements of Financial Position. A Fund will ordinarily have to pay a fee or premium to borrow a security and be obligated to repay the lender of the security any dividend or interest that accrues on

the security during the period of the loan. Such fees payable, as applicable, are reflected as “Stock loan fee payable” on the Statements of Financial Position. The fee incurred is reflected as “Stock loan fee” on the Statements of Comprehensive Income. Dividends payable on such securities, as applicable, are reflected as “Dividends payable on short sales” on the Statements of Financial Position. Dividends on such investments, if any, are reflected as “Dividends on short sales” on the Statements of Comprehensive Income.

Underlying Funds – Underlying funds that are not exchange-traded funds are valued at their respective NAV per unit from fund companies on the relevant valuation dates and underlying funds that are exchange-traded funds are valued at market close on the relevant valuation dates.

Fair Valuation of Investments – The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Procedures are in place to determine the fair value of foreign securities traded in countries outside of North America daily to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

Management also has procedures where the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, NAV per unit (for exchange-traded funds), recent transactions, market multiples, book values and other relevant information for the investment to determine its fair value. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

All security valuation techniques are periodically reviewed by the Valuation Committee (“VC”) of the manager and are approved by the manager. The VC provides oversight of the Funds’ valuation policies and procedures.

Cash Cash is comprised of cash and deposits with banks and is recorded at amortized cost. The carrying amount of cash approximates its fair value because it is short term in nature.

Margin Margin accounts represent margin deposits held with brokers in respect of derivatives contracts.

Functional Currency The Funds, with the exceptions below, have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the Funds. RBC Alpha Plus U.S. Equity Fund and RBC QUBE Market Neutral World Equity Fund (collectively, the “USD Funds”) have their subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for these Funds.

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars (U.S. dollars in the case of the USD Funds) at the rate of exchange on each valuation date. Gains/losses on foreign cash balances are included in “Net gain (loss) on foreign cash balances” in the Statements of Comprehensive Income. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses on spot and forward currency contracts are included in “Derivative income (loss)” in the Statements of Comprehensive Income.

Valuation of Series A different NAV is calculated for each series of units of a Fund. The NAV of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative NAV of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date. Stock loan fees and transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Comprehensive Income for the period. The unrealized gain and loss on investments is the difference between fair value and average cost for the period. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost which does not include amortization of premiums or discounts on fixed-income and debt securities with the exception of zero coupon bonds and short-term investments.

Income Recognition Dividend income is recognized on the ex-dividend date and interest for distribution purposes is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds. “Income from investment trusts” includes income from underlying funds and other trusts. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized. Interest payments made by the Funds to counterparties on the payable leg of derivative contracts are recorded as “Interest expense” in the Statements of Comprehensive Income.

Increase (Decrease) in NAV per Unit Increase (decrease) in NAV per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units by series, divided by the average units outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund. These amounts are included in the Statements of Changes in NAV.

Prepaid Subscriptions Prepaid subscriptions represent amounts received from unitholders for subscriptions with an effective date after the period end date.

Foreign Currencies The following is a list of abbreviations used in the Schedule of Investment Portfolio:

AUD – Australian dollar	INR – Indian rupee
BRL – Brazilian real	JPY – Japanese yen
CAD – Canadian dollar	KRW – South Korean won
CHF – Swiss franc	MXN – Mexican peso
CLP – Chilean peso	MYR – Malaysian ringgit
COP – Colombian peso	NOK – Norwegian krone
CZK – Czech koruna	NZD – New Zealand dollar
DKK – Danish krone	PLN – Polish zloty
EUR – Euro	SEK – Swedish krona
GBP – Pound sterling	SGD – Singapore dollar
HKD – Hong Kong dollar	THB – Thailand baht
HUF – Hungarian forint	USD – United States dollar
IDR – Indonesian rupiah	ZAR – South African rand

In-Kind Transactions and Switches Between Different Series of the Same Fund In accordance with IAS 7, the Funds exclude non-cash transactions from their operating and financing activities within the Statements of Cash Flow. The primary differences between amounts issued and redeemed within the Statements of Changes in NAV and the

December 31, 2022

Statements of Cash Flow relate to in-kind transactions and switches between series of the same Fund. Similarly, the “Cost of investments purchased” and “Proceeds from sale and maturity of investments” within the Statements of Cash Flow appropriately exclude in-kind transactions.

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the Funds’ accounting policies and making estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that management has made in preparing the financial statements.

Fair value measurement of securities not quoted in an active market

The Funds have established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed and consistently applied from period to period. The estimates of the value of the Funds’ assets and liabilities are believed to be appropriate as at the reporting date.

The Funds may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by management for the estimates used in determining fair value.

5. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital, which is its NAV and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio managers, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines and securities regulations.

The financial markets experienced significant volatility as a result of the developing COVID-19 global pandemic. The effects of the pandemic and its impact on individual companies, nations and the market in general can not necessarily be foreseen at the present time and may have an

adverse impact on the financial performance of the Funds. The impact of the pandemic may be short-term or may last for an extended period of time.

In February 2022, Russian forces invaded Ukraine, resulting in an armed conflict and economic sanctions on Russia. Price volatility, trading restrictions, including the potential for extended halting of Russian market trading, and general default risk related to Russian securities may have an adverse impact on the financial performance of a Fund. The manager is actively monitoring the situation.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund’s direct risks and pro rata exposure to the risks of underlying funds, as applicable.

Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund may be exposed to daily, weekly or monthly cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund’s Statements of Financial Position. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. All other receivables, amounts due from brokers, cash, margin and short-term deposits are held with counterparties with a credit rating of BBB- or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of

fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 7). RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

Concentration risk

Concentration risk arises as a result of net financial instrument exposures to the same category, such as geographical region, asset type, industry sector or market segment. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions.

Interest rate risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Certain Funds trade in debt securities, some of which are variable rate and have an inter-bank linked interest rate. Such debt securities may potentially be transitioned to an alternative benchmark before the Funds dispose of their investments. The impact of this transition, if any, will be captured in the change in fair value of these investments and is not expected to be significant to each Fund.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency risk as disclosed in the Fund Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of a Fund.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. In addition, a short sale by a Fund requires the Fund to borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to be paid back by a Fund before the Fund wants to do so, possibly requiring the Fund to borrow the security elsewhere or purchase the security on the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. The borrowing fee may increase during the borrowing period, adding to the expense of the short sale strategy. There is also no guarantee that the securities sold short can be repurchased by a Fund due to supply and demand constraints in the equity markets. Finally, in order to maintain the appropriate ratios between the long portfolio and the short portfolio of a Fund, the Manager may be required to buy or sell short securities at unattractive prices. The maximum risk resulting for financial instruments held long is determined by the fair value of the instrument.

6. Taxes

The Funds qualify as mutual fund trusts or unit trusts under the *Income Tax Act* (Canada). In general, the Funds are subject to income tax; however, no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In addition, for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

December 31, 2022

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years.

7. Securities lending revenue

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

8. Administrative and other related-party transactions

Manager and Portfolio Manager

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager and portfolio manager of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. The management fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. No management fees are paid by the Funds with respect to Series O and Series OL units. Series O and Series OL unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services. As described in the Notes to Financial Statements – Fund Specific Information of the Fund, for certain Funds, RBC GAM is also paid performance fees. Performance fees are calculated and accrued on the last business day of each month and are payable to RBC GAM on the last business day of each year prior to giving effect to redemptions on such date.

The Funds pay a fixed administration fee to RBC GAM. The fixed administration fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not

limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and interim reports, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including any costs and expenses of the Independent Review Committee ("IRC") of the Funds that are not related to annual fees, meeting fees and reimbursement for expenses to members of the IRC, the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, "other fund costs"), and taxes (including, but not limited to, GST/HST). RBC GAM, not the Funds, is responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the IRC. Other fund costs will be allocated proportionately to each series based upon the relative NAV of each series. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest in units of other Funds managed by RBC GAM or its affiliates ("underlying funds"). A Fund will not invest in units of an underlying fund if the Fund would be required to pay any management or incentive fees in respect of that investment that a reasonable person would believe duplicates a fee payable by the underlying fund for the same service. To the extent a Fund invests in underlying funds managed by RBC GAM or its affiliates, the fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the Fund. However, a Fund may only invest in one or more underlying funds provided that no management fees or incentive fees are payable that would duplicate a fee payable by the underlying fund for the same service. The Fund's ownership interest in underlying funds is disclosed in the Notes to Financial Statements – Fund Specific Information.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Funds, 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 Funds 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 Funds in the course of their normal business, all of which are wholly owned subsidiaries of Royal Bank of Canada, are discussed below.

Distributors

RBC GAM and RBC Dominion Securities Inc. are principal distributors of, or may distribute certain series of units of, the Funds.

Sub-Advisors

BlueBay Asset Management LLP is the sub-advisor of the BlueBay Total Return Credit Fund (Canada), the BlueBay High Yield Asset-Backed Credit Fund (Canada) and the BlueBay High Grade CLO Fund (CAD Hedged). BlueBay Asset Management LLP and RBC Global Asset Management (U.S.) Inc. are the sub-advisors of the BlueBay CMBS Opportunities Fund (Canada). RBC GAM U.K. Ltd. is the sub-advisor of the RBC Global Equity Focus Pension Trust.

The sub-advisor earns a fee which is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. The sub-advisor is paid by the manager from the management fee paid by the Funds.

Trustee

RBC GAM is the trustee for the Funds governed by the laws of the Province of Ontario. RBC IS is the trustee for the Funds governed by the laws of the Province of British Columbia. The trustee holds title to the Funds' property on behalf of the unitholders. The trustee earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Custodian

Unless specifically addressed in the Fund Specific Information, RBC IS is custodian of the Funds and holds the assets of the Funds. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Funds.

Registrars

RBC GAM and RBC IS are the registrars of the Funds and keep records of who owns units of the Funds. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Brokers and Dealers

The Funds have established or may establish standard brokerage agreements and dealing agreements at market rates with related parties such as RBC Dominion Securities Inc., RBC Capital Markets, LLC, RBC Europe Limited, NBC Securities Inc. and Royal Bank of Canada.

Securities Lending Agent

To the extent a 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.

Mortgage Administrator Agent

Royal Bank administers mortgages on behalf of the Funds. Royal Bank earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Other Related-Party Transactions

Pursuant to applicable exemptive relief, the Funds relied on the standing instructions from the IRC with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) 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

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

In addition, the Funds relied on standing instructions with respect to investments in 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 ("Related-Party Underwriting Activities").

These standing instructions require that the above transactions be conducted in accordance with RBC GAM policy and that RBC GAM advise the IRC of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities or Related-Party Underwriting 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 Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

9. Presentation changes in the financial statements

As a result of an accounting system change during the year ended December 31, 2022, the Funds have changed the presentation of certain items related to the cost of investments with accretion of discounts or premiums. In the current year, where applicable, the discount on short-term investments is now accreted into the cost of investments where previously such amounts were recorded as interest receivable. Additionally, the discount or premium related to convertible strip bonds is now accreted or amortized to the cost of investments. Comparatives have not been reclassified in the financial statements as the information required to achieve comparability is not available. As a result of this presentation change, amounts previously presented as "Change in unrealized gain (loss) on investments" are now presented as "Interest for distribution purposes" in the Statements of Comprehensive Income for convertible strip bonds, and there is a non-cash adjustment in the Statements of Cash Flow "Interest for distribution purposes", for the period ended December 31, 2022. Previously, such amounts were adjusted in the Statements of Cash Flow in "(Increase) decrease in accrued receivables" and "Proceeds from sale and maturity of investments", where applicable. There is no impact on Statements of Comprehensive Income as a result of the change in the presentation for the short-term investments.