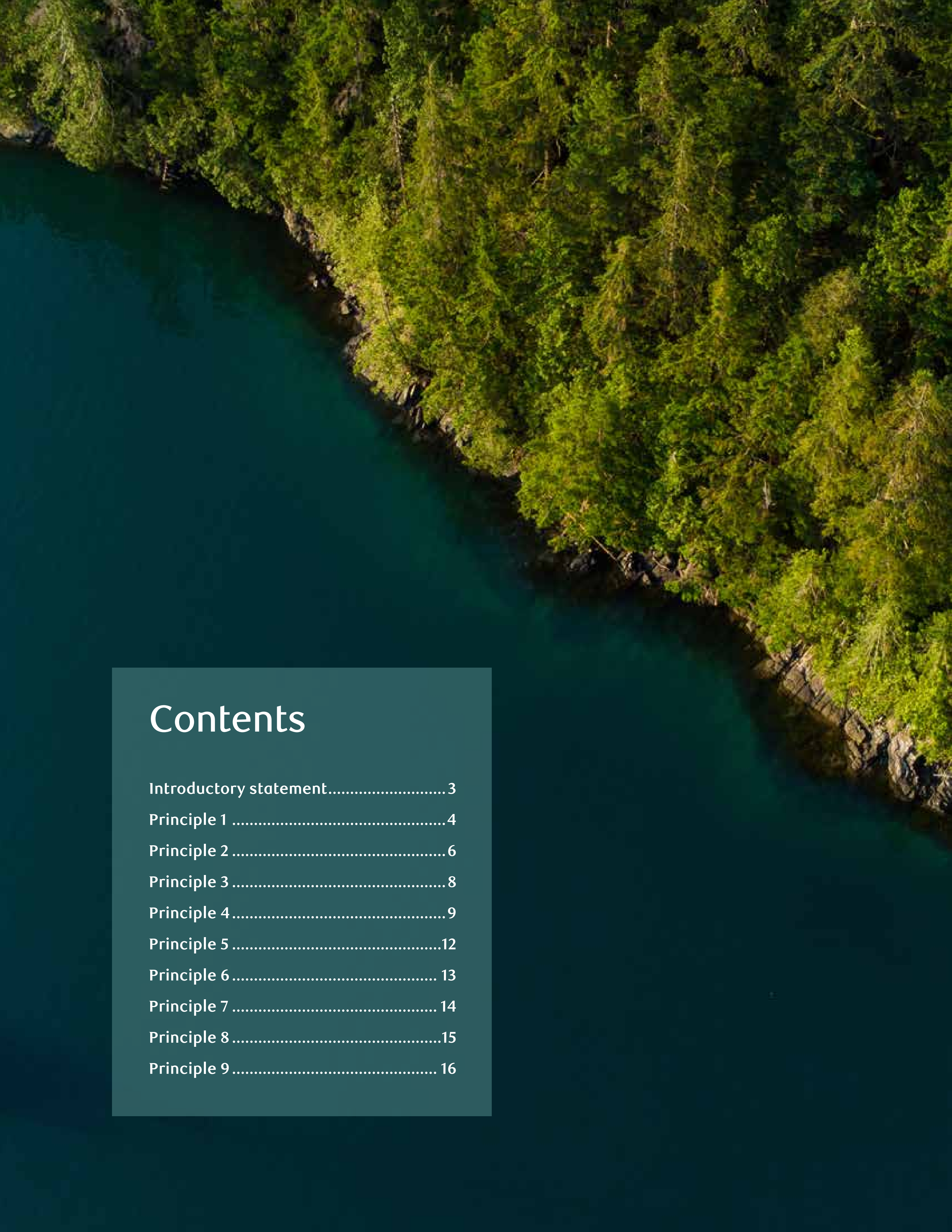
RBC Global Asset Management

Impact operating principles

September 2024



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Introductory statement

RBC Global Asset Management ("RBC GAM"[1]) is pleased to have adopted the Operating Principles for Impact Measurement ("Impact Principles"[2]) for two of our impact investment funds in 2023. The Impact Principles are a framework for the design and implementation of investors' impact management systems, ensuring that impact considerations are integrated throughout the investment lifecycle.

The assets that will align with the Impact Principles are RBC GAM's "impact funds", which consist of the RBC BlueBay Access Community Investment Fund and the RBC BlueBay Impact Bond Fund.

RBC BlueBay Access Capital Community Investment Fund	RBC BlueBay Impact Bond Fund
The **RBC BlueBay Access Capital Community Investment Fund** has US$660.5M in AUM as at December 31, 2023. The fund's investment objective is to provide current income consistent with the preservation of capital by investing primarily in high quality debt securities and other debt instruments supporting community development, including investments deemed to be qualified under the Community Reinvestment Act of 1977, as amended (the "CRA). As part of this, the fund invests in the following social impact themes: affordable homeownership, quality affordable rental housing, and small businesses. The fund aims to improve livability in low- and moderate-income ("LMI") communities and underserved areas of the United States.	The **RBC BlueBay Impact Bond Fund** has US$246.5M in AUM as at December 31, 2023. The fund's investment objective is to achieve a high level of current income consistent with the preservation of capital. The fund seeks to generate returns while simultaneously meeting the fund's impact objective, which is to make investments that seek to achieve positive aggregate social and environmental impact outcomes. As part of this, the fund invests in the following social and environmental impact themes aligned to several of the United Nations Sustainable Development Goals (SDGs): affordable homeownership, multi-family housing, education, health and wellness, small business, energy and climate change, and water and sanitation. The SDGs are the blueprint to achieve a better and more sustainable future for all addressing global challenges including those related to poverty, inequality, climate change, environmental degradation, peace and justice.[3]

In line with our commitment as a signatory to the Impact Principles, we have published the enclosed disclosure statement that describes the alignment of our impact management processes with each of the Impact Principles. Our 2024 disclosure statement has had only minor updates to reflect figures and data from the most recent calendar year where appropriate, as well as updated footnotes in some instances.

Best regards,

Daniel E. Chornous, CFA
Chief Investment Officer
RBC Global Asset Management

[1]RBC GAM is the asset management division of Royal Bank of Canada (RBC) which includes RBC Global Asset Management Inc. (RBC GAM Inc.), RBC Global Asset Management (U.S.) Inc. (RBC GAM-US), RBC Global Asset Management (UK) Limited (RBC GAM-UK), RBC Global Asset Management (Asia) Limited (RBC GAM-Asia) and RBC Indigo Asset Management Inc. (RBC Indigo), which are separate, but affiliated subsidiaries of RBC.
[2]For more information on the Operating Principles for Impact Management see the website: www.impactprinciples.org/9-principles
[3]For information on the Sustainable Development Goals see the website: https://www.un.org/sustainabledevelopment/sustainable-development-goals/

Principle 1

Define strategic impact objective(s), consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

RBC GAM's impact funds are made up of the RBC BlueBay Access Capital Community Investment Fund (the Access Fund) and RBC BlueBay Impact Bond Fund. Both funds employ a bottom-up security selection process in which in-scope securities must demonstrate alignment with impact objectives in order to be considered for investment. Eligible securities are then evaluated on their financial merit and, to be included in either fund, must generate competitive fixed income returns with similar risk characteristics to comparable securities in the overall U.S. fixed income market.

The social and environmental impact themes in which the funds invest are tracked based on their alignment with the UN SDGs. Exhibit 1 describes the targeted impact themes, the instruments invested in each, and how these themes align with one or more of the UN SDGs.

The funds may invest in a variety of fixed income instruments including corporate bonds, government bonds, money market securities, municipal bonds, and securitized loans. The use of proceeds or project purpose of each security is linked specifically to the funds' impact objectives. For example, in the theme of affordable homeownership, the impact funds invest in mortgage-backed securities comprised of mortgage loans to low-income borrowers. In the small business theme, the impact funds invest in small business administration-backed loans (securitized pools and certificates), which directly provide loans to small business owners in LMI communities. In our view, this direct link between the proceeds of the fixed income securities and impact objectives represents a credible basis for achieving the funds' impact objectives.

More information on how impact is measured at the project level is provided in Principle 4. Additional information on how impact is measured at the portfolio level is provided in Principle 2. Additional information on how fund management assesses potential negative social and environmental impacts is provided in Principle 5.

Case study: Lyons Pharmacy

RBC GAM works with a variety of originators to create custom securities where the underlying loans are aligned with the funds' impact objectives. One example is a loan to Lyons Pharmacy in San Diego, CA, which is included in our Access Capital Community Investment strategy, the strategy that includes the Access Fund vehicle. The loan was originated by CDC Small Business Finance, a mission-based lender focused on providing access to affordable capital to small business owners. The owner of Lyons Pharmacy had opened his small business in the predominantly Latin American Chula Vista neighborhood because its residents lacked a local pharmacy that could provide services to meet their health care needs. As a result of the COVID-19 pandemic, Lyons Pharmacy was running low on savings and at risk of closing.

The loan that Lyons Pharmacy was able to secure through CDC Small Business Finance provided the capital needed to continue providing essential services through the COVID-19 pandemic. This investment aligned with the social impact theme of "health and wellness," generated positive impacts for a BIPOC and LMI community, and aligned with the UN SDG goal to "ensure healthy lives and promote well-being for all at all ages" (SDG 3).

The Case Studies within this Disclosure Statement were not subject to the limited assurance engagement.

Exhibit 1: Social and environmental impact themes and their alignment to the UN SDGs

	Impact theme	Description	UN SDG alignment
Social	Affordable homeownership	Single-family mortgages to borrowers who qualify either as an LMI individual with income generally <80% of the area's median income, and/or are located in a census tract that is considered LMI.	1 No poverty; 10 Reduced inequalities; 11 Sustainable cities and communities
	Multi-family housing	Multi-family mortgages supporting quality affordable rental housing (multi-family housing) where: 1. More than 50% of units are rent subsidized and reserved for LMI tenants (i.e., tenant income is <80% of median income); or 2. Mixed income housing is located in an underserved community or supporting underserved families (e.g., women-headed households, BIPOC families). BIPOC is an acronym that stands for Black, Indigenous, and People of Color.	1 No poverty; 10 Reduced inequalities; 11 Sustainable cities and communities
	Education	Bonds financing access to education and/or education facilities in low-income areas for all levels of education (e.g., early childhood, primary, secondary), or with other evidencable stakeholder alignment such as free and reduced lunch or Pell grant recipients.	4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities
	Small businesses	Small Business Administration-backed loans (securitized pools and certificates) creating jobs and providing services in LMI communities and/or loans to stakeholder-owned businesses or with a particular impact theme (e.g., recycling business).	1 No poverty; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities; 11 Sustainable cities and communities
	Health and wellness	Bonds financing projects or issued by pharmaceutical, bio-tech, medical device, health care facility or other companies that provide preventative care or illness treatment and support healthy living and well-being for all as well as bonds financing hospitals, clinics, and rehabilitation services facilities that cater to LMI populations.	3 Good health and well-being
Environmental	Energy and climate change	Bonds financing projects that seek to address the climate crisis, and that support climate change action through the reduction of greenhouse gas (GHG) emissions and the provision of climate solutions.	7 Affordable and clean energy; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action; 14 Life below water; 15 Life on land
	Water and sanitation	Bonds for facilities that provide access to clean drinking water and proper sanitation, improve in water quality, and increase water use efficiency.	6 Clean water and sanitation; 9 Industry, innovation and infrastructure; 13 Climate action

Principle 2

Manage strategic impact on portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

Our impact funds are managed with a goal of generating competitive fixed income returns while also generating positive social and environmental impact across a variety of themes. To measure impact at a portfolio level, the security-level impacts (detailed in Principle 4) are aggregated and used to monitor the funds' overall achievement of their impact objectives.

At the portfolio level, we use two primary types of metrics to measure and monitor impact to ensure the funds are seeking to achieve their impact objectives:

1. Portfolio alignment with determined social and environmental impact themes
2. Alignment to one or more of the UN SDGs

Portfolio alignment with social and environmental impact themes is measured at the security level and aggregated across the portfolio. Consistent with the funds' investment objectives and principal investment strategies, RBC GAM seeks to align the funds' assets with one or more of the social and environmental impact themes, as determined by compliance with defined metrics. Examples of metrics used to measure portfolio alignment with social and environmental impact themes are outlined in Exhibit 2. The metrics in Exhibit 2 are tracked on a regular basis and we may report on additional metrics to the ones outlined below from time to time and when available.

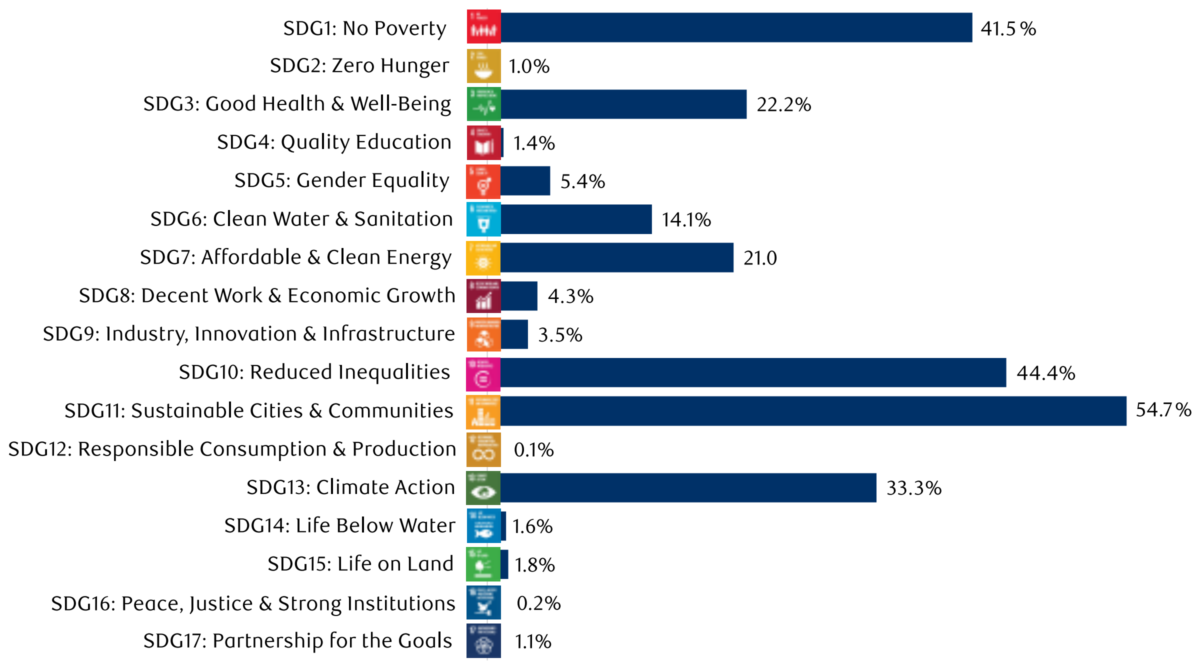
Exhibit 2: Social and environmental impacts by theme

	RBC GAM impact theme	Metrics
Social	Affordable homeownership	• Number and value of affordable mortgages to LMI households/stakeholder borrowers
Social	Multi-family affordable housing	• Number of units of affordable rental housing provided to LMI and/or other stakeholder tenants • Percentage of rental units classified as "affordable" and where rent is subsidized
Social	Education	• Amount invested in educational facilities where more than 50% of students are considered LMI or there is some other stakeholder alignment
Social	Small businesses	• Amount invested in qualified U.S. Small Business Administration (SBA) backed Loans • Number of small businesses financed • Number of jobs created and jobs retained, where available • Percentage of the small business allocation split by various owner demographics like race, ethnicity, gender, and veteran status • Amount invested in BIPOC and LMI neighborhoods
Social	Health and wellness	• Number of hospitals, clinics, and rehabilitation services facilities financed that cater to LMI populations • Amount invested in companies offering preventative care and disease treatment
Environmental	Energy and climate change	• Net greenhouse gas emissions (Tons of CO2 equivalent produced, minus tons of CO2 equivalent avoided for securities in carbon intensive sectors)* • Amount invested in climate change solutions
Environmental	Water and sanitation	• Gallons of water treated/influenced per $1M invested • Amount invested in clean water solutions • Gallons of water used per $1M invested relative to a similar investment in the general fixed income market

*We define net carbon negative as occurring when the fund's avoided GHG emissions exceed the fund's GHG emissions produced, calculated per million dollars invested (unit = t CO2 equivalent/$M invested). Calculations are inclusive of all fund assets, excluding treasury. GHG emissions (t CO2 eq.) are inclusive of Scope 1 and 2 emissions and may consider Scope 3 emissions when applicable and available. Scope 1 emissions occur directly from sources owned or controlled by the reporting company. Scope 2 emissions are not tied directly to a company's operations. Rather, they result from the generation of electricity, steam, heating, and cooling that's purchased and consumed by the reporting company. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of a company, including both upstream and downstream emissions. Multiple data sources are used for GHG emissions data and include: reported data from issuers, reported and estimated data from third party vendors, and sector- and industry-level data from government and academic entities. Gaps in data may exist as climate data and disclosures continue to evolve. Our calculation methodology considers relevant standards and practices and is proprietary to the Impact Investment team.

Alignment to the UN SDGs is measured by aggregating each security's alignment to each impact theme and associated UN SDGs to provide a total fund view. For corporate issuers, alignment is linked to revenue, while for other securities, it is linked to use of proceeds. We link to revenue for corporate issuers because corporate bonds are not project-specific and tend to be used to finance a company's general operations that generate revenue for all segments. Other securities, like pools of mortgages or small business loans or municipal bonds, are legally linked to specific purposes indicating where the bond proceeds are being used. For instance, as of December 31, 2023, the UN SDG portfolio alignment of the RBC BlueBay Impact Bond Fund was as follows:

Exhibit 3: RBC BlueBay Impact Bond Fund - portfolio alignment with UN SDGs, as at 12.31.23



Note: As most investments in the funds influence or support multiple SDGs, the percentages above will exceed 100%.
The Portfolio alignment with UN SDGs was not subject to the limited assurance engagement.

The investments are chosen specifically for their alignment with the funds' impact objectives and impact themes so we would not expect to see deviation from the impact objectives at the portfolio level. For example, per the investment prospectus, the RBC BlueBay Impact Bond Fund will invest at least 80% of its assets in fixed income securities meeting the fund's impact criteria, as determined by the impact methodology (described in Principle 4). As at Dec. 31, 2023, the fund's alignment to impact themes was more than 99%.

The RBC BlueBay Access Capital Community Investment Fund uses the same impact measurement methodology described in Principle 4. Further, per the investment prospectus, the fund expects that substantially all or most of its investments will be considered eligible for regulatory credit under the Community Reinvestment Act of 1977 ("CRA"). The requirements of the CRA align directly with the social impact themes in which the fund invests. As at Dec. 31, 2023, the fund's alignment to impact themes was estimated at more than 99%.

Compensation for the impact investing team is primarily based on portfolio performance and the long-term risk-adjusted returns of the strategies that they manage. Achieving the impact funds' impact objectives – alignment with the impact themes and the SDGs – is considered as part of variable compensation. Specifically, compensation would be negatively affected if the funds did not meet the quantitative requirements for alignment to the impact criteria and the CRA described above and specified in the funds' investment prospectuses. Conversely, compensation would be positively affected on a qualitative basis to the extent that the impact outcomes are viewed positively by the investor base, partners and direct beneficiaries of the impact funds.

Principle 3

Establish the manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Our impact funds are designed to produce measurable outcomes for people and the planet, consistent with their investment objectives and principal investment strategies, and in line with a variety of impact themes and the UN SDGs. The main drivers of our contributions to impact themes are the following:

- Capital contribution: The impact funds provide capital for the growth and development of underserved communities, defined as low- and moderate-income (LMI) individuals and communities, which are disproportionally affected by social and environmental impacts.The total amount of funds is driven by assets under management by each strategy.
- Capital allocation: The impact funds ensure that capital is directed to entities (e.g., individuals, households, small businesses, and companies) that provide improved access to goods, services, and wealth creation for underserved communities and other stakeholder groups (as described in Principle 4). The allocation to each theme is dependent upon both investment strategy decisions and the available, eligible, investment types.
- Capital additionality: The impact funds use existing government subsidies and loan guarantee programs, as well as private capital, to add to the pool of capital available to underserved communities and other stakeholder groups.
- Engagement: As the impact funds invest primarily in individual loans, such as home mortgages, multi-family affordable housing, and climate solutions, it is often not feasible to engage directly with the recipients or beneficiaries of these loans to scale our impact. Instead, the impact funds may use direct engagement with originators of these types of loans as a way to scale lending to underserved borrowers and motivate change. One example of this is provided in the case study below.
- Collaboration: RBC GAM works collaboratively through industry initiatives to advance impact investment opportunities and to harmonize quality impact data, metrics, and indicators. For example, RBC GAM is a member of the Global Impact Investment Network (GIIN), an initiative dedicated to increasing the scale and effectiveness of impact investing around the world. We are also an institutional member of the Forum for Sustainable and Responsible Investment (US SIF), which advances sustainable, responsible, and impact investing across all asset classes.

Case study: Capital additionality

A strategic component of our ability to contribute to impact is partnering with lenders that share similar impact objectives. One such example is Community Development Financial Institutions (CDFIs), whose mission is to deliver increased access to capital to underserved communities. CDFI originated loans are a natural fit for the impact funds given they are often made to lower-income and underserved borrowers. The impact funds also work with originators like CDC Small Business Finance to purchase high-quality, government-guaranteed loans backed by the Small Business Administration (SBA). These loans are sold to generate additional capital for underserved areas at affordable rates.

Case study: Engagement

RBC GAM's impact funds may develop partnerships with philanthropic organizations to encourage impact investing within their communities. An example is the partnership with Groundworks New Mexico (formerly New Mexico Association of Grant Makers) and the New Mexico Impact Investment Collaborative (NMIIC), started in May of 2021, to create Local Impact Fixed Income Targeted Investment New Mexico (LIFT NM).

LIFT NM is an impact investing initiative that supports development in the state of New Mexico. Through this partnership, LIFT NM participants can invest in our RBC BlueBay Access Capital Community Investment Fund, providing them with a high-quality, liquid fixed income vehicle intended to create positive social and environmental impacts, while also seeking a competitive financial return. The collaborative has supported six counties, with two foundations, a medical centre, and one corporation among its investors. Examples of LIFT NM investments include:

- Supporting a family-owned small business dedicated to providing child care and creating jobs in a low-income area. This is one of the partnership's 23 small business loan investments as at Dec. 31, 2023.
- Providing affordable, subsidized rental housing on the Navajo Reservation in San Juan County, where 39% of the population falls below the poverty line and 97% of the town's population is of Native American ancestry, among others. In total, the initiative was invested in 56 single family mortgages for LME families and one multi family affordable rental property (212 units), as at Dec. 31, 2023.

The Case Studies within this Disclosure Statement were not subject to the limited assurance engagement.

Principle 4

Assess the expected impact of each investment, based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

Our impact funds apply an Impact Measurement and Monitoring process to establish and monitor impact performance at the security and portfolio levels (see Exhibit 4). This process has been developed and is implemented to ensure that impact management across the strategies is:

- Credible: We apply industry-leading frameworks[4], standards, and guidelines where possible, and seek to continually review and improve our approach, as necessary.
- Consistent: We believe that a systematic, repeatable, and verifiable process supports consistent delivery of impact objectives.
- Transparent: We believe that providing transparent and decision-useful information to investors is essential to establishing and demonstrating accountability.
- Auditable: We believe that establishing clear, auditable processes is an important component of ensuring credibility of impact and meeting impact objectives for our clients.

The impact funds' impact assessment methodology is applied and documented to assess a) the expected impact of investments before the investment is made, and b) the actual impact achieved after the investment has been made. The impact funds' methodology is based on the following fundamental considerations:

- **What** impact the funds seek to achieve, in line with the impact funds' environmental and social impact themes (see Principle 1).
- **Who** beneficiaries of the impact are, and whether the impacts are being directed to those most in need. Examples of stakeholders that the impact funds seek to benefit include the environment/planet, LMI individuals/ families, BIPOC individuals, and women.[5]
- **How much** impact is being achieved, and to what degree this is attributable to the funds' investments.
- **Alignment** with UN SDGs.
- **Longevity of impact** beyond the lifespan of the impact funds. Most social and environmental investments provide additionality that is felt well beyond the investment period. Refer to Principle 7 for consideration over the longevity of impact.

The team evaluates the likelihood of the investment achieving its intended impact and any risk factors identified that could prevent such intended impacts from being achieved. To mitigate against risk of not achieving desired impact outcomes, we focus on impact areas that have inherently a high likelihood of success over the long-term, based on our research and analysis.

Exhibit 4: Impact measurement and monitoring process

[4]This includes direct alignment to the U.N. Sustainable Development Goals and compliance with regulations such as the Community Reinvestment Act, where applicable. More information on the impact funds' alignment to these frameworks is provided in Principle 2.

[5]Depending on the investment type, other beneficiaries may include people experiencing homelessness, people with disabilities, children and foster youth, LGBTQ+ community, domestic violence survivors, senior citizens, natural disaster survivors, rural populations, veterans, immigrants/migrants and people who are ill or infirm.

This impact assessment process involves:

1. **Preliminary assessment:** Each in-scope security is analyzed to verify eligibility and fit with the impact objectives and themes. The Impact Measurement Framework (see examples in Exhibits 4 and 5) confirms that the intended impact and the beneficiary/ies of that intended impact align with the impact objectives discussed in Principle 1.
2. **Research:** Each eligible, in-scope security undergoes review and analysis to determine its level of expected impact. The impact data are generally sourced directly from the originator of the projects such as governments, lenders and other issuers. The data, sources, and impact measurements/metrics are documented in the impact funds' research database, and this information is updated throughout the product lifecycle where applicable. The type of data varies by theme as described in Exhibit 2. Impact performance at the security level is measured based on best available information. Gaps in data may exist as data and disclosures continue to evolve. We regularly review and enhance our data inputs and calculation methodology to reflect improvements in data availability and quality, and advancements in the measurement of impact.
3. **Investment decision:** If a security meets both the impact and return objectives of the impact funds, it will be recommended for inclusion in one or more of the impact funds. Our impact funds seek to invest in securities whose social and environmental impacts themes are significantly net positive. When comparing securities with the same expected investment risk and return characteristics, the impact funds may favor investment in the security with a greater degree of and/or more transparent expected positive impacts. This may also include consideration of the geographical context of the investment and expected impact. For example, given equal investment characteristics between two securities, the impact funds may favor investment in the security located in a community that is more in need or underserved, as demonstrated by metrics like median household income.
4. **Monitoring:** Securities are monitored for any changes to financial and/or impact data that would impact the investment thesis, and updates are recorded in the research database accordingly. Impact data from the research database is aggregated at the portfolio level, per the metrics described in Principle 2. Portfolio data is monitored on an ongoing basis to compare the actual impact of the impact funds to their expected impact and impact objectives. When monitoring indicates that an investment is no longer expected to achieve its intended impact or no longer aligns with the funds' impact objectives, the impact funds will seek an appropriate course of action that may include engaging with the issuer and/or exiting the investment. The impact funds may also strive to increase the overall scale of impact by working with responsible originators to expand on particular programs and/or specific loan types that have exhibited strong actual impact through monitoring. One example of this is provided in Principle 3.
5. **Reporting:** Aggregated impact results are published in an Impact Investing Annual Report on the RBC GAM website. The Annual Report includes both portfolio-level reporting and disclosures on the impact measurement process.

Case study: Small business impact theme

One of the impact themes in which the impact funds invest is Small Business. Per our impact assessment process, security-level impact data are stored and monitored in the impact funds' research database (Figure 5), while portfolio-level metrics are aggregated for monitoring and reporting (Figure 6).

Exhibit 5: Example of data in impact measurement framework - small business

Industry	Business Type	Gender	Race	Tract	BIPOC	Black	Latinx	Inc Lvl
Environmental	Environmental Consulting	Female	Indigenous	White	10%	3%	4%	Upper
	Recycling Services	Male	Latinx	BIPOC	69%	24%	40%	Mod
		Male		Latinx	91%	35%	50%	Mod
	Rubber Recycling	Female	White	BIPOC	85%	38%	44%	Low
	Fire Prevention	Male		White	40%	1%	30%	Mid

As of 12.31.23

Case study: Small business impact theme (cont.)

Exhibit 6: Small business aggregate data summary - RBC BlueBay Impact Bond Fund as at December 31, 2023

	Amount	% Total
Latinx	1,301,662	39.9%
White	794,685	24.4%
Black	533,328	16.4%
Asian	513,853	15.8%
BIPOC	77,668	2.4%
Indigenous	38,324	1.2%
	3,259,519	100.0%
Male	2,233,893	49.5%
Female	2,278,641	50.5%
	4,512,534	100.0%
Non-Veteran	837,246	68.5%
Veteran	384,176	31.5%
	1,221,422	100.0%

Category	Amount	% Total
Health & Personal Care	2,148,360	44.1%
Food & Beverage	891,704	18.3%
Education	571,495	11.7%
Manufacturing	400,163	8.2%
Environmental	270,170	5.5%
Home & Building Services	222,519	4.6%
Local Services	159,058	3.3%
Professional Services	85,938	1.8%
Null	63,223	1.3%
Retail	51,774	1.1%
Arts & Entertainment	11,101	0.2%
	4,875,505	100.0%

The Case Studies within this Disclosure Statement were not subject to the limited assurance engagement.

Principle 5

Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Our impact funds seek to invest in securities whose social and environmental impacts themes are significantly net positive. As such, the funds seek to assess potential negative social and environmental impacts of each in-scope security at the research stage of the investment process, prior to investment. Examples of potential negative impacts considered include predatory lending (small business theme), undesirable living conditions (affordable housing theme), and carbon emissions (all themes), among others.

Along with the impact assessment, the impact funds also implement a systematic assessment process to identify and document the ESG (Environmental, Social, and Governance) risk profile of each in-scope issuer, as well as an assessment of the expected materiality of ESG risk factors to each in-scope investment.[6] As of Dec 31, 2023, approximately 83% of the Impact Bond and 98% of Access Capital Fund's holdings were covered as a part of this process. Over time, the holdings included in this process are expected to increase.

Finally, as part of portfolio monitoring, the impact funds assess and document the potential negative climate impacts of every investment using carbon footprint analysis. Specifically, the funds monitor the greenhouse gas emissions of each investment directly in the impact funds' research database. Changes in the carbon footprint of the funds and in their investments are investigated, and investments may be flagged for further due diligence or engagement where they exhibit increased carbon emissions intensity. Possible material negative social impacts are also monitored at the security level, as part of regular investment monitoring described in the Monitoring step of the impact assessment process in Principle 4.

Engagement with the funds' investees may be limited due to the nature of the securities in which the funds are invested. However, engagement may occur either during the research phase, as part of information gathering and due diligence, or during investment monitoring, where new data is released or where a risk event occurs. The aim of such engagement may be to clarify questions surrounding the security being evaluated, change in data, or risk event, or to encourage the investee to adopt best practices in addressing potential material risks or impacts.

Case study: Impact assessment of 'social' asset-backed security

Prior to investment, the impact funds assess the expected environmental and social impacts of the security and compare them with the impact and financial objectives of the impact funds. In 2022, the Impact Investing team undertook due diligence on an asset-backed security, made up of unsecured consumer loans and labeled as a 'social instrument', for potential inclusion in the fund.

Impact analysis: The investment team was initially interested in the potential positive impacts that access to capital could afford to low income individuals, a key beneficiary of the impact funds. While reviewing the security, however, the team became concerned by the high average interest rates being charged to these borrowers and resulting high default rates. Ultimately, the team noted high social risk and potential material negative impacts to a core beneficiary of the funds. Despite the 'social instrument' label, the security was not found to be suitable for investment in the impact funds' social themes due to its potential negative impacts.

Case study: Carbon emissions analysis for water utility holding

All eligible, in-scope securities in the impact funds undergo fundamental analysis, which is summarized in a security holdings report that details environmental and social impact data alongside material financial information. In 2022, the Impact Investing team identified the following for a U.S based water utility company they were considering for potential investment in the clean water theme.

Impact analysis: While reviewing a new debt issue of an existing holding, the Impact Investing team noticed that the issuer's carbon footprint had increased materially. The company was previously solely focused on water distribution and infrastructure but had a growing natural gas delivery segment. The amount of financed emissions had grown substantially and caused an increase in the overall fund's carbon footprint. As a result, the investment team did not invest in the new debt issue, and the company was flagged for engagement and potential exit if the emissions trend continues.

The Case Studies within this Disclosure Statement were not subject to the limited assurance engagement.

[6]Certain issuers and investment types, including but not limited to cash investments were not in scope of the ESG risk assessment process during the reporting period. See the firm's guide to Responsible Investment [here](#).

Principle 6

Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Impact Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

As discussed in Principle 4, RBC GAM's impact funds use an internal research database to collect and store security-level data, sources, and impact metrics. Impact data from the research database is aggregated at the portfolio level and monitored on an ongoing basis to compare the actual impact of the funds to their expected impact, and impact objectives. A summary of the data collection and governance practice is provided below, in Exhibit 7.

Exhibit 7: Impact funds' data collection practices

Data practice	Description
Collection	Security-level data is first collected and stored within the impact funds' research database upon initiation of investment research. The data point, unit of measurement, and data source are recorded for each metric. Once invested, data is updated as it becomes available, usually quarterly or annually depending on the data source.
Sources	Due to challenges in impact data availability and quality, the impact funds generally source data directly from government and issuer sources, where available. Data sources are selected based on whether they are current, complete, and relevant for measuring impact objectives, and sources are subject to change as new or expanded data sources, methodologies, or tools become available. The impact funds employ both open source and purchased data. As at December 31, 2023, data sources include Bloomberg, census data, Climate Data Explorer, MSCI ESG, Sustainalytics, Housing and Urban Development HUD resources, and the U.S. Small Business Administration loan program database, among others. The impact funds do not engage with investees on data collection. In the case of carbon footprint data referenced in Principle 5, the impact funds may also use estimated data, using sector-based proxies and physical activity-based emissions and economic activity-based emissions metrics, where reported emissions data is not available from the issuer itself or third-party data providers.
Governance	The Impact Investing team, which manages the impact funds, is responsible for maintaining the research database and ensuring that data sources continue to be current, complete, and relevant. Data purchased from third-party vendors is coordinated by RBC GAM's centralized Responsible Investment (RI) team.

The investment team of the impact funds uses the data stored in the research database to build automated and digital tools that assess security and portfolio alignment with the impact funds' impact objectives and themes, quantify securities' expected impact, and provide ongoing monitoring of what impact was achieved and overall portfolio performance. Principle 2 describes specific portfolio-level impact metrics that are monitored through this process. On a quarterly basis, the metric reporting is compared with the previous assessments (i.e. the original assessment at the time of investment or the previous year's impact reporting and review processes) where available. They include both portfolio alignment metrics and impacts achieved within each social and environmental impact theme.

When portfolio-level monitoring indicates that an investment is no longer expected to achieve its intended impact or no longer aligns with the funds' impact objectives, the investment team will seek an appropriate course of action that may include engaging with the issuer and/or exiting the investment. Principle 7 provides more context on the impact funds' exit decision processes. Portfolio-level monitoring includes a quantitative and qualitative component and is undertaken by both analysts and portfolio managers. It is described in more detail in the preceding paragraph.

Finally, portfolio impact metrics are reported to the impact funds' shareholders and published on the RBC GAM website via an Annual Impact Report detailing the aggregate impact performance of the Access Capital Community Investment and Impact Bond strategies.

Principle 7

Conduct exits considering the effect on sustained impact.

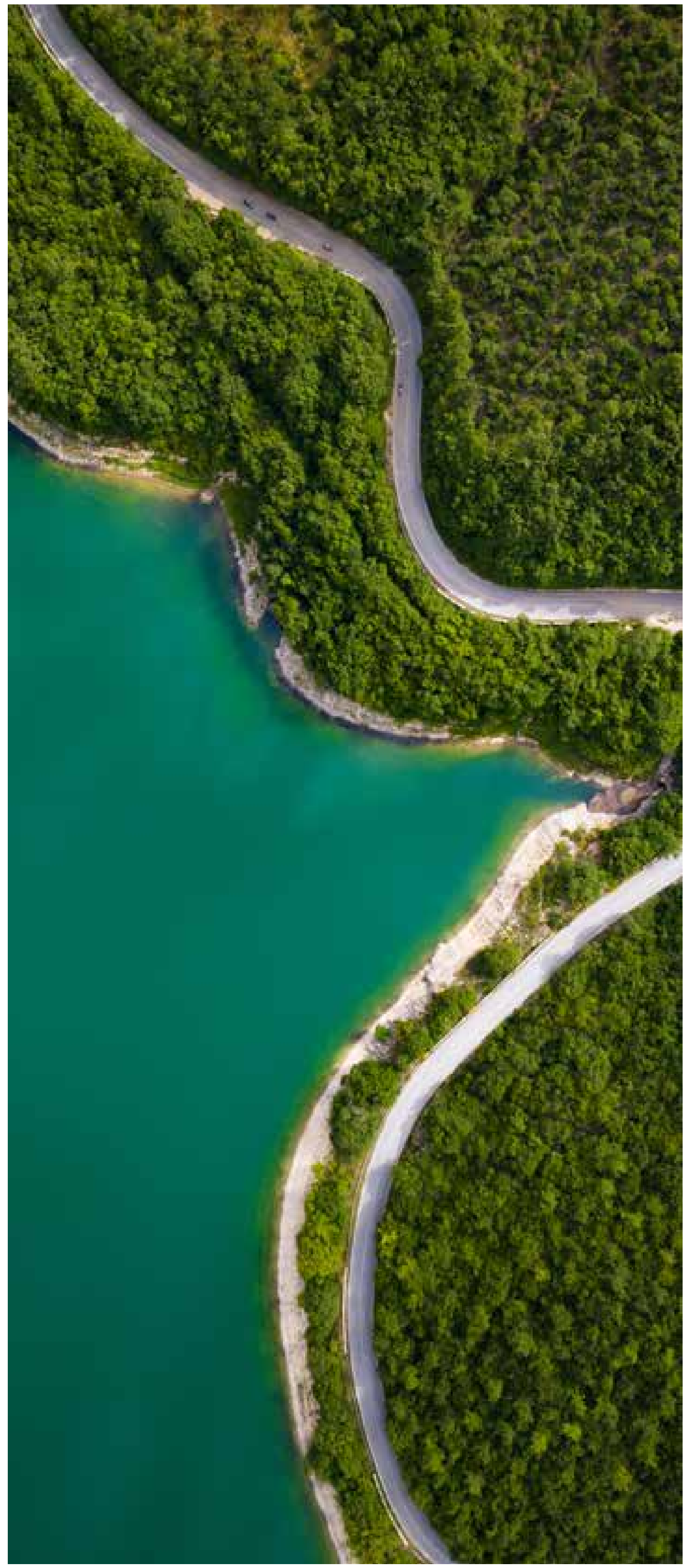
When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Exit decisions in the impact funds are generally rare, as the team's investment research process aims to generate investments in only high conviction securities, which the team believes are less likely to deviate from the investment and impact theses over time.

Often, exiting an investment is by design, upon the expiration of the life-cycle of the investment. Generally, as long as the proceeds of the fixed income security have been used to generate their intended impact throughout the lifetime of the investment, these impacts would continue to be felt beyond the security's maturity date. For example, a mortgage to a low income borrower creates the opportunity for that borrower to build wealth through homeownership, the impact of which can be felt throughout the lifetimes of that borrower's children and future generations. Similarly, a bond financing an education-related project in an underserved community creates direct positive impacts on members of that community today through the provision of these services; however, these short term benefits can also lead to long term impacts on future generations within the community due to the positive relationship of education level with both financial and health and wellbeing outcomes.

In some instances, an issuer may choose to refinance, at which point the impact funds would evaluate the new fixed income security to determine its continued eligibility in the impact funds.

Occasionally, an investment may no longer be expected to achieve its intended impact or may no longer align with the impact funds' impact or investment objectives, and exit may be considered. Exit considerations are dependent on impact, nature of debt instrument, relative size of positions, and fiduciary duty. Since the securities covered by the impact investing strategies are generally liquid with other lenders available, there are typically minimal to no negative impacts to the borrower when an exit decision is made.



Principle 8

Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

The investment team of the impact funds strives to continuously improve decisions and processes. Some examples of that include:

- **Security monitoring:** Security-level data is updated on an ongoing basis, and the financial and impact performance of the holdings are monitored via the impact funds' research database. As investments mature and/or unexpected events arise, the impact funds may update the security eligibility criteria and/or internal research to reflect learnings for similar future investments.
- **Portfolio monitoring:** While portfolios are monitored on an ongoing basis, there is a formal quarterly review of portfolio impact metrics to ensure alignment with the impact objectives. These quarterly reviews may lead to strategically pursuing investments in a specific geographic location or impact theme with an aim to improve the overall impact and/or financial performance of the funds.
- **Data:** The impact funds often review new data sources to ensure that the sources of data used within the impact measurement and management system are current, complete and aligned to best practice. Data and data sources are updated in the research database, as appropriate.
- **Technology:** The impact funds periodically test new technologies for database management, financial and impact results reporting, and risk assessment and visualization to identify potential opportunities for operational improvements.
- **Engagement:** In cases where new information is gained through engagement, the impact funds' internal research and assessments are updated.
- **Industry initiatives and frameworks:** As discussed in Principle 3, RBC GAM is part of a number of industry impact investment initiatives with a goal to enhance impact measurement and management and continue to grow the impact investing market in the U.S. The impact funds monitor the latest updates from initiatives such as GIIN and U.S. SIF, as well as frameworks such as the Impact Principles, to ensure that the funds' processes for impact measurement and management continue to be aligned with best practices.
- **Training and education:** Portfolio managers and analysts responsible for the impact funds regularly attend impact investing conferences and circulate new research on impact investment topics. Knowledge attained from such activities may be used to update the impact measurement and management processes of the impact funds themselves.
- **Impact Reporting:** see here for the most recent Impact Investing Report.

Principle 9

Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

A robust impact management process is a core element of the RBC GAM impact funds. As a signatory of the Impact Principles, RBC GAM is committed to publishing annual disclosures of the alignment of our impact funds' impact management systems with the Impact Principles and to providing periodic independent verification reports to affirm this alignment.

The impact management processes as described in the 2023 Operating Principles for Impact Management Disclosure statement alignment with the Operating Principles for Impact Management were subject to a limited assurance engagement in 2023.[7] We plan to conduct an independent verification every three years or more frequently if significant changes warrant it. The last verification was conducted on the statement filed with the Impact Principles in August 2023 and the next independent verification is planned for 2026.

Independent verification completed August 2023 by:
PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500
Toronto, Ontario, Canada M5J 0B2

In 2023, RBC engaged PricewaterhouseCoopers LLP (PwC) to independently undertake a limited assurance engagement on RBC's impact management processes, as described in RBC's Operating Principles for Impact Management Disclosure Statement published in 2023, in alignment with the Operating Principles for Impact Management dated February 2019.

A copy of PwC's verification statement can be found on RBC's website.

[7]Case studies provided throughout the disclosure statement were not subject to the limited assurance engagement.

RBC Global Asset Management

Before investing, you should consider carefully a fund's investment objectives, risks, charges, and expenses. This and other information is in the prospectus, which you can view by visiting http://dfinview.com/usrbcgam or request by calling 800.422.2766. Please read the prospectus carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities.

The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network ("the GIIN") or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, "Affiliate" shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.

The RBC BlueBay Access Capital Community Investment Fund is non-diversified, which means it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual security volatility than a diversified fund. Investing in the Fund involves other risks including but not limited to concentration in the affordable housing industry, competition for investments, the effects of leveraging the Fund's portfolio, and investments in illiquid securities.

The RBC BlueBay Impact Bond Fund's impact investing criteria could cause it to perform differently compared to funds that do not apply such criteria. The application of these criteria may result in the Fund's forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for impact investing reasons when it might be otherwise disadvantageous for it to do so. The Fund invests in mortgage-related securities including pass-throughs and collateralized mortgage obligations, which include additional risks that an investor should be aware of such as credit risk, prepayment risk, possible illiquidity and default, and increased susceptibility to adverse economic developments. The Fund may invest in derivatives, including futures contracts, which involve risks different from and, in certain cases, greater than risks presented by more traditional investments.

The Funds' consideration of ESG factors could cause them to perform differently compared to funds that do not take ESG factors into account.

These risks are described more fully in the prospectus.

Fund holdings and/or sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. Current and future holdings are subject to risk.

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Not FDIC Insured. No Bank Guarantee. May Lose Value.

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