



U.S. EQUITY

## RBC PRIVATE U.S. GROWTH EQUITY POOL

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December 31, 2023

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

Sub-Advisor: Brown Advisory, LLC, Baltimore, Maryland

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 7, 2024.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/regulatorydocuments](http://www.rbcgam.com/regulatorydocuments) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide long-term growth primarily through capital appreciation by investing in common stocks and equivalent securities of U.S. corporations that offer above-average prospects for growth.

The Fund identifies opportunities using detailed, bottom-up fundamental research performed through the analysis of a company's financial statements, long-term business model and industry attractiveness. The Fund diversifies across major industry sectors.

The Fund invests in companies with an attractive combination of large and sustainable market opportunities, experienced and credible management, proprietary products or services, healthy financial position and attractive valuations relative to their long-term growth opportunity.

### Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

### Results of Operations

The Fund's net asset value rose to \$797 million as of December 31, 2023, from \$583 million at the end of 2022. The increase was due to investment returns.

Over the past year, the Fund's Series F units gained 30.6%, which underperformed the 39.6% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

U.S. stocks recorded strong returns in 2023, driven by a handful of fast-growing technology stocks that dominated large-cap equity indexes. The benchmark's 10 largest companies by market capitalization accounted for about 70% of gains during the year, a historic concentration that created a challenging environment for the Fund's stock-selection process.

The Health Care sector had the most negative impact on the Fund's relative returns during the period. Speculation that a new class of weight-loss drugs would reduce demand for medical devices held back the Fund's investment in Edwards Lifesciences, a maker of heart-valve replacements.

The Fund's investments in the Information Technology sector contributed the most to the Fund's relative returns. Shares of Shopify, the e-commerce platform, aided returns after a strong earnings report and the sale of its division that fulfils online orders. The Fund eliminated the Shopify holding over the period in the belief that the loss of the fulfilment business diminishes Shopify's growth prospects and because the sub-advisor believes the stock was fully valued after the 2023 rally. Adobe, the publisher of software for creating online graphics, contributed to relative returns during the period on optimism that the company's Firefly software would benefit from advances in artificial intelligence.

The Fund added four positions during the period: CoStar Group, which provides data to the commercial real estate industry; Progressive Corp., a property-casualty company that is one of the largest U.S. auto insurers; Uber Technologies; and, most recently, Veralto, a water-testing instruments maker spun off by Danaher. In addition to Shopify, the Fund eliminated five other companies: Brown-Forman; L3Harris Technologies; Roper Technologies; Estée Lauder; and DexCom.

### Recent Developments

While the U.S. market's focus on the largest stocks has been challenging, the sub-advisor's focus remains on investing in companies that offer premium growth and that are set up for success over the long term.

Effective January 1, 2023, Suromitra Sanatani was appointed as Chair of the Independent Review Committee ("the IRC"). Effective February 1, 2023, Joanne Vézina was appointed as a member of the IRC. Effective March 1, 2023, Enrique Cuyegkeng was appointed as a member of the IRC.

### Related-Party Transactions

#### ***Manager, Trustee and Portfolio Manager***

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund. Both the management fee and fixed administration fee are calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. RBC GAM, as trustee, earns a fee, which is paid by the manager from the fixed administration fee paid by the Fund.



RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, 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 Fund also maintains 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 Fund in the course of their normal businesses are discussed below.

***Distributors***

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or may distribute certain series of units of, the Fund. Dealers may receive an ongoing commission based on the total value of their clients' investment in certain series of units of the Fund.

***Registrars***

RBC GAM, RBC Investor Services Trust ("RBC IS") or Royal Bank (or a combination thereof) are the registrars of the Fund and keep records of who owns units of the Fund. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

***Custodian***

RBC IS is the custodian and holds the assets of the Fund. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Fund.

***Securities Lending Agent***

To the extent the 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.

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of 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***

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

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements.

### Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series F</b>												
<b>Dec. 31, 2023</b>	<b>297.65</b>	<b>1.98</b>	<b>(4.10)</b>	<b>16.88</b>	<b>74.55</b>	<b>89.31</b>	—	—	<b>(1.45)</b>	—	<b>(1.45)</b>	<b>387.27</b>
Dec. 31, 2022	422.57	1.38	(3.84)	15.55	(145.82)	(132.73)	—	—	(1.45)	—	(1.45)	297.65
Dec. 31, 2021	363.14	1.30	(4.67)	42.07	20.58	59.28	—	—	(4.18)	—	(4.18)	422.57
Dec. 31, 2020	280.66	3.44	(3.86)	36.58	37.64	73.80	(0.04)	(1.21)	—	—	(1.25)	363.14
Dec. 31, 2019	211.21	1.23	(2.91)	20.65	57.34	76.31	—	—	—	—	—	280.66
<b>Series O</b>												
<b>Dec. 31, 2023</b>	<b>319.46</b>	<b>2.14</b>	<b>(0.29)</b>	<b>18.22</b>	<b>81.86</b>	<b>101.93</b>	<b>(0.04)</b>	<b>(1.29)</b>	<b>(1.57)</b>	—	<b>(2.90)</b>	<b>418.73</b>
Dec. 31, 2022	450.22	1.48	(0.27)	16.65	(150.04)	(132.18)	(0.07)	(1.19)	(1.55)	—	(2.81)	319.46
Dec. 31, 2021	383.49	1.38	(0.33)	44.58	25.49	71.12	(0.08)	(0.84)	(4.45)	—	(5.37)	450.22
Dec. 31, 2020	294.71	3.62	(0.27)	38.50	51.19	93.04	(0.11)	(3.11)	—	—	(3.22)	383.49
Dec. 31, 2019	220.22	1.29	(0.21)	21.73	53.45	76.26	(0.02)	(1.00)	—	—	(1.02)	294.71

<sup>1</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>2</sup> Distributions are reinvested in additional units of the Fund or paid in cash.

### Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series F</b>							
<b>Dec. 31, 2023</b>	<b>387.27</b>	<b>15 018</b>	<b>39</b>	<b>1.19</b>	<b>1.19</b>	<b>26.18</b>	<b>0.01</b>
Dec. 31, 2022	297.65	10 724	36	1.19	1.19	24.85	0.01
Dec. 31, 2021	422.57	16 011	38	1.18	1.18	23.38	0.01
Dec. 31, 2020	363.14	14 410	40	1.19	1.19	26.27	0.01
Dec. 31, 2019	280.66	9 936	35	1.17	1.17	10.03	0.01
<b>Series O</b>							
<b>Dec. 31, 2023</b>	<b>418.73</b>	<b>781 726</b>	<b>1 867</b>	<b>0.08</b>	<b>0.08</b>	<b>26.18</b>	<b>0.01</b>
Dec. 31, 2022	319.46	572 195	1 791	0.08	0.08	24.85	0.01
Dec. 31, 2021	450.22	917 681	2 038	0.08	0.08	23.38	0.01
Dec. 31, 2020	383.49	798 352	2 082	0.08	0.08	26.27	0.01
Dec. 31, 2019	294.71	502 929	1 706	0.08	0.08	10.03	0.01

<sup>1</sup> The management expense ratio ("MER") is based on the direct expenses charged to the Fund and the Fund's proportionate share of the expenses of underlying funds, if any, for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and the Fund's proportionate share of such costs of underlying funds expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.



**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees and Administration Fees**

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 net asset value of each series of the Fund. The management fee, breakdown of services received in consideration of the management fee, as a percentage of the management fee, and the administration fee for each series are as follows:

	Management Fees	Breakdown of Services		Administration Fees
		Distribution	Other*	
Series F	1.00%	–	100%	0.10%
Series O	n/a	n/a	n/a	0.07%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

\* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

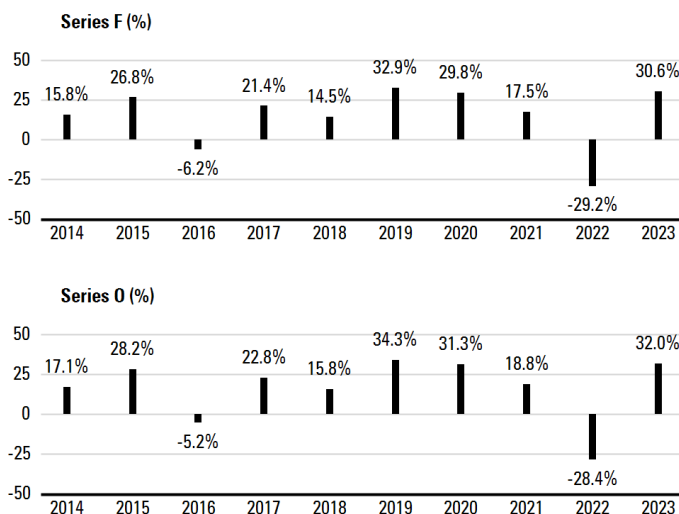
**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, or optional charges, or income taxes payable that would have reduced returns or performance.

Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund’s performance for each of the years shown, and illustrates how the Fund’s performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



**Annual Compound Returns (%)**

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on December 31, 2023, compared with the following benchmark:

Russell 1000 Growth Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series F	30.6	2.8	13.4	13.6	–
Benchmark	39.6	10.3	18.8	17.4	–
Series O	32.0	3.9	14.6	14.9	–
Benchmark	39.6	10.3	18.8	17.4	–

The returns of each series may vary because of differences in management fees and expenses. Benchmark and/or broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to benchmark and/or broad-based indexes.

Inception dates are not provided for series that have been in existence for more than 10 years.

**INDEX DESCRIPTIONS**

**Russell 1000 Growth Index (CAD)** This index measures the Canadian-dollar performance of companies in the Russell 1000 Index that have higher price-to-book ratios and higher forecasted growth values.



## SUMMARY OF INVESTMENT PORTFOLIO

*(after consideration of derivative products, if any)*

*As at December 31, 2023*

### Investment Mix

	% of Net Asset Value
Information Technology	30.6
Health Care	17.5
Industrials	12.5
Financials	10.6
Consumer Discretionary	9.0
Real Estate	6.6
Communication Services	5.7
Consumer Staples	4.4
Cash/Other	3.1

### Top 25 Holdings

	% of Net Asset Value
Intuit Inc.	4.8
ServiceNow Inc.	4.6
NVIDIA Corp.	4.5
Microsoft Corp.	4.4
Costco Wholesale Corp.	4.4
Alphabet Inc.	4.2
Amazon.com Inc.	4.2
Intuitive Surgical Inc.	4.1
Mastercard Inc.	3.8
Adobe Inc.	3.8
Lululemon Athletica Inc.	3.7
S&P Global Inc.	3.7
SBA Communications Corp.	3.6
Uber Technologies Inc.	3.5
Cintas Corp.	3.4
Autodesk Inc.	3.2
Progressive Corp.	3.2
Atlassian Corp.	3.1
Thermo Fisher Scientific Inc.	3.0
CoStar Group Inc.	3.0
Cash & Cash Equivalents	3.0
Zoetis Inc.	2.9
Edwards Lifesciences Corp.	2.9
Align Technology Inc.	2.7
Generac Holdings Inc.	2.3
Top 25 Holdings	90.0

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/regulatorydocuments](http://www.rbcgam.com/regulatorydocuments).