PORTFOLIO SOLUTION

RBC RETIREMENT 2035 PORTFOLIO

December 31, 2023

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

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.

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 or SEDAR+ at 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 is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for retirement that commences around 2035 (the "target date"). It seeks to provide total returns comprised of income and modest capital appreciation. The Fund invests primarily in a diversified portfolio of equity, fixed-income and/or money-market securities from anywhere in the world, gradually shifting its asset mix to emphasize fixed-income and/or money-market investments. The Fund invests up to 100% of its NAV in funds managed by RBC GAM or an affiliate of RBC GAM (called the "underlying funds").

Ten years after the target date of the Fund is reached, it is expected that the Fund's asset allocation will be substantially similar to the RBC Retirement Income Solution.

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 $126 million as of December 31, 2023, from $111 million at the end of 2022. The increase was due to a combination of net inflows and investment returns.

Over the past year, the Fund's Series F units gained 9.5%. The broad-based index 1 rose 6.7% and the broad-based index 2 rose 11.8%. The Fund's return is after the deduction of fees and expenses, while 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.

Economic growth in 2023 was faster than many economists had predicted at the beginning of the year, defying risks that included inflation exceeding central-bank targets, the highest borrowing costs in about 16 years and two wars on Europe's doorstep. By the end of the period, growth and inflation had begun to slow, prompting investors to anticipate that central banks were moving closer to rolling back a portion of the rate hikes that had taken place since early 2022.

Bonds recovered to post gains in 2023 as signs of economic slowdown, especially in Canada and Europe, pushed down longer-term yields and triggered the speculation about policy-rate cuts. The lack of a recession made the job of policymakers harder, with fears persisting that lower rates, if they occurred, would rekindle inflation. Canada's 10-year benchmark yield ended the year down slightly at 3.11% but earlier touched 4.24%, the highest since July 2007. Canadian government bonds, with a return of just under 5%, outperformed U.S. fixed income, as the weaker Canadian economy pushed domestic yields down faster than yields on Treasuries. Eurozone government bonds outperformed those in North America and Japan, with the German bond market returning about 7% and Italy's about 11%. Returns in the fixed-income segment of the portfolio were boosted by the RBC Global High Yield Bond Fund and the RBC Bond Fund.

A distinguishing characteristic of the U.S. stock-market rally was the small number of issues powering the advance. While the "Magnificent 7" – the seven largest stocks in the S&P 500 by market value – in some cases more than doubled, most stocks lagged the index's returns significantly. The S&P 500 Index and some benchmarks in Europe reached near-record levels during the period. In emerging markets, China was a significant exception to what was otherwise an upbeat story. The removal of the country's remaining pandemic restrictions was taken as a positive, but consumers and businesses did not spend and invest as had been expected. Overall, emerging markets underperformed developed markets. Returns were bolstered by the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund and the RBC Global Dividend Growth Fund.

Recent Developments

An economic slowdown appears to be underway, with businesses and consumers feeling the drag of higher interest rates and two years of exceptionally high inflation. Global trade is contracting, businesses are scaling back investments and the frenetic hiring of the past two years is on the wane, albeit gradually. The portfolio manager continues to look for a mild contraction in the U.S., Canada, the UK and the eurozone during the first half of 2024, although pathways to an economic soft landing are evident and the odds of such an outcome are improving as inflation moderates and the cost of borrowing declines.

Against this backdrop, the portfolio manager believes that central banks are likely to cut their benchmark interest rates at some point over the next year, setting up a more positive backdrop for bond returns. While the portfolio manager continues to expect stocks to outperform bonds over the longer term, the premium associated with holding equities relative to fixed income is perhaps not properly compensating investors for the risk of an economic downturn.

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 ($)

		Increase (Decrease) from Operations[1]					Annual Distributions[2]					
For the Year/ Period Ended	Net Assets Beginning of Year/Period	Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Net Assets End of Year/Period
Series A												
Dec. 31, 2023	**11.32**	**0.60**	**(0.23)**	**0.02**	**0.54**	**0.93**	**–**	**(0.10)**	**(0.22)**	**(0.01)**	**(0.33)**	**11.93**
Dec. 31, 2022	13.01	0.52	(0.23)	0.02	(1.67)	(1.36)	–	(0.09)	(0.18)	(0.01)	(0.28)	11.32
Dec. 31, 2021	11.93	0.27	(0.25)	0.56	0.89	1.47	–	(0.02)	(0.37)	(0.01)	(0.40)	13.01
Dec. 31, 2020	11.14	0.30	(0.22)	0.21	0.70	0.99	(0.01)	(0.07)	(0.08)	–	(0.16)	11.93
Dec. 31, 2019	9.77	0.31	(0.22)	0.12	1.21	1.42	–	(0.07)	(0.06)	–	(0.13)	11.14
Series F												
Dec. 31, 2023	**11.19**	**0.60**	**(0.10)**	**0.02**	**0.53**	**1.05**	**(0.01)**	**(0.22)**	**(0.22)**	**(0.02)**	**(0.47)**	**11.78**
Dec. 31, 2022	12.85	0.52	(0.10)	0.02	(1.63)	(1.19)	(0.01)	(0.20)	(0.18)	(0.02)	(0.41)	11.19
Dec. 31, 2021	11.79	0.27	(0.11)	0.56	0.88	1.60	(0.01)	(0.14)	(0.37)	(0.03)	(0.55)	12.85
Dec. 31, 2020	11.01	0.30	(0.10)	0.21	0.83	1.24	(0.01)	(0.20)	(0.08)	–	(0.29)	11.79
Dec. 31, 2019	9.67	0.30	(0.10)	0.12	1.18	1.50	(0.01)	(0.19)	(0.06)	–	(0.26)	11.01
Series O												
Dec. 31, 2023	**11.09**	**–**	**–**	**–**	**1.15**	**1.15**	**(0.01)**	**(0.30)**	**(0.22)**	**(0.03)**	**(0.56)**	**11.67**
Dec. 31, 2022	12.75	0.52	–	0.02	(1.70)	(1.16)	(0.01)	(0.28)	(0.18)	(0.03)	(0.50)	11.09
Dec. 31, 2021	11.70	0.27	–	0.56	0.87	1.70	(0.02)	(0.22)	(0.37)	(0.05)	(0.66)	12.75
Dec. 31, 2020	10.92	0.29	–	0.21	0.74	1.24	(0.02)	(0.29)	(0.08)	–	(0.39)	11.70
Dec. 31, 2019	9.58	0.30	–	0.12	1.27	1.69	(0.01)	(0.29)	(0.06)	–	(0.36)	10.92

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

[2] Distributions are 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 (%)[1]	MER Before Absorption (%)[1]	Portfolio Turnover Rate (%)[2]	Trading Expense Ratio (%)[3]
Series A							
Dec. 31, 2023	**11.93**	**104 426**	**8 755**	**1.97**	**1.97**	**3.49**	**0.04**
Dec. 31, 2022	11.32	93 730	8 277	1.97	1.97	3.84	0.03
Dec. 31, 2021	13.01	94 803	7 289	1.97	1.97	4.09	0.05
Dec. 31, 2020	11.93	69 739	5 846	2.02	2.02	4.70	0.05
Dec. 31, 2019	11.14	55 222	4 959	2.09	2.09	3.21	0.04
Series F							
Dec. 31, 2023	**11.78**	**21 369**	**1 815**	**0.86**	**0.86**	**3.49**	**0.04**
Dec. 31, 2022	11.19	17 238	1 541	0.86	0.86	3.84	0.03
Dec. 31, 2021	12.85	16 637	1 294	0.87	0.87	4.09	0.05
Dec. 31, 2020	11.79	10 319	875	0.92	0.92	4.70	0.05
Dec. 31, 2019	11.01	5 492	499	0.98	0.98	3.21	0.04

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit ($)	Net Asset Value ($000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%)[1]	MER Before Absorption (%)[1]	Portfolio Turnover Rate (%)[2]	Trading Expense Ratio (%)[3]
Series O							
Dec. 31, 2023	**11.67**	**2**	**–**	**0.06**	**0.06**	**3.49**	**0.04**
Dec. 31, 2022	11.09	1	–	0.06	0.06	3.84	0.03
Dec. 31, 2021	12.75	2	–	0.07	0.07	4.09	0.05
Dec. 31, 2020	11.70	1	–	0.07	0.07	4.70	0.05
Dec. 31, 2019	10.92	1	–	0.07	0.07	3.21	0.04

[1] 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.

[2] 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. The portfolio turnover rate is not applicable to money market funds.

[3] 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.

Effective July 1, 2020, the management fees for Series A units were reduced to 1.70% from 1.80%; and for Series F units were reduced to 0.70% from 0.80%. If the changes to the management fees would have been in effect throughout the financial year ended December 31, 2020, the adjusted MER for each series of the Fund would be: Series A – 1.97% and Series F – 0.87%.

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 A	1.70%	56%	44%	0.05%
Series F	0.70%	–	100%	0.05%
Series O	n/a	n/a	n/a	0.02%

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.

* Effective on or about January 1, 2030, the management fees for Series A units will be reduced to 1.45% from 1.70%.

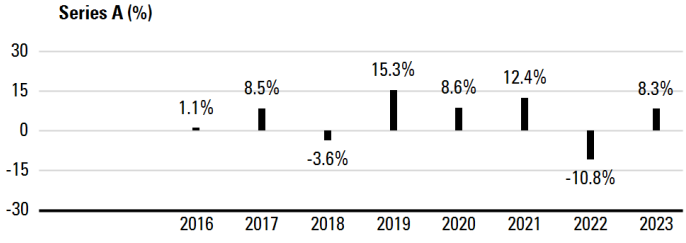
† Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

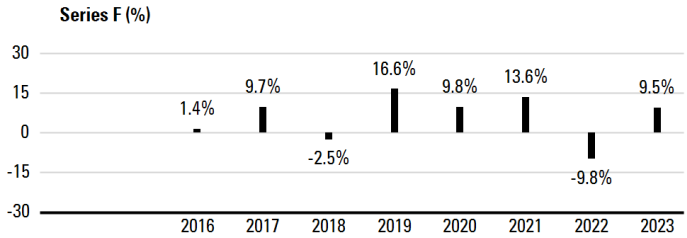
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional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

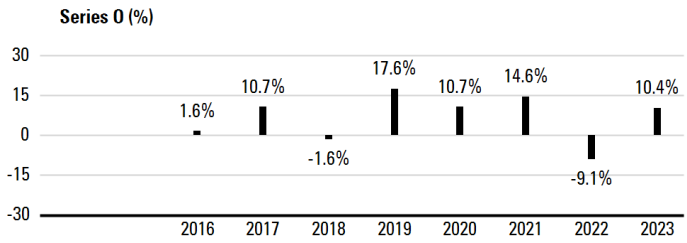
Year-by-Year Returns (%)

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.



PAST PERFORMANCE (cont.)





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 benchmarks:

Broad-based index 1 – FTSE Canada Universe Bond Index
Broad-based index 2 – S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	8.3	2.8	6.3	–	5.2
Broad-based index 1	6.7	-2.8	1.3	–	1.1
Broad-based index 2	11.8	9.6	11.3	–	8.4
Series F	9.5	3.9	7.5	–	6.3
Broad-based index 1	6.7	-2.8	1.3	–	1.1
Broad-based index 2	11.8	9.6	11.3	–	8.4
Series O	10.4	4.8	8.4	–	7.2
Broad-based index 1	6.7	-2.8	1.3	–	1.1
Broad-based index 2	11.8	9.6	11.3	–	8.4

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.

Series A, Series F and Series O units have been available for sale to unitholders since October 11, 2016.

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

INDEX DESCRIPTIONS

FTSE Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)
As at December 31, 2023

Investment Mix

	% of Net Asset Value
Fixed Income Funds	31.4
Canadian Equity Funds	23.7
Global Equity Funds	21.0
United States Equity Funds	12.9
International Equity Funds	7.0
Alternative Investment Funds	3.6
Cash/Other	0.4

Top 25 Holdings

	% of Net Asset Value
RBC Global Dividend Growth Fund - Series O	8.0
RBC Global Equity Focus Fund - Series O	6.0
Phillips, Hager & North Canadian Equity Underlying Fund - Series O	5.9
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund - Series O	5.8
RBC Global High Yield Bond Fund - Series O	5.0
Phillips, Hager & North Total Return Bond Fund - Series O	5.0
RBC Bond Fund - Series O	5.0
RBC QUBE Low Volatility Global Equity Fund - Series O	4.8
Phillips, Hager & North Conservative Equity Income Fund - Series O	4.5
RBC QUBE Low Volatility Canadian Equity Fund - Series O	4.0
RBC U.S. Mid-Cap Value Equity Fund - Series O	4.0
RBC Canadian Short-Term Income Fund - Series O	3.5
Phillips, Hager & North Canadian Growth Fund - Series O	3.4
RBC Emerging Markets Equity Fund - Series O	3.2
RBC U.S. Equity Value Fund - Series O	3.1
BlueBay Global Investment Grade Corporate Bond Fund (Canada) - Series O	3.0
RBC Global Corporate Bond Fund - Series O	3.0
Phillips, Hager & North Canadian Equity Value Fund - Series O	3.0
RBC Global Bond Fund - Series O	2.9
BlueBay Global Sovereign Bond Fund (Canada) - Series O	2.9
RBC Canadian Mid-Cap Equity Fund - Series O	2.9
RBC Canadian Core Real Estate Fund - Series N	2.9
RBC European Equity Fund - Series O	2.4
RBC Global Equity Leaders Fund - Series O	2.2
BlueBay European High Yield Bond Fund (Canada) - Series O	1.0
Top 25 Holdings	97.4

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.

The Simplified Prospectus and other information about the underlying funds are available on the investment fund's designated website and on SEDAR+ at www.sedarplus.ca.