



INTERNATIONAL EQUITY FUND

## RBC EUROPEAN EQUITY CLASS

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March 31, 2021

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

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on June 10, 2021.

### **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/en/ca](http://www.rbcgam.com/en/ca) or SEDAR at [www.sedar.com](http://www.sedar.com). 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.*



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## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in European stocks in order to provide exposure to growth opportunities in the European economy and diversification benefits beyond North America.

To achieve its investment objective, the Fund invests most of its assets in the RBC European Equity Fund (the “underlying fund”). The portfolio manager of the underlying fund reviews the economic outlook for Europe and then selects stocks based on fundamental, technical and quantitative inputs. The underlying fund is managed to limit risk by spreading investments across different industries. The underlying fund may also invest in debt securities issued or guaranteed by European governments and international agencies.

### 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 \$4 million as of March 31, 2021, from \$3 million as of March 31, 2020. The increase was due to investment returns.

Over the past year, the Fund’s Series A shares gained 30.6%, outperforming the 28.0% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the 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.

European equity markets have risen about 30% since the market lows seen in March 2020. A dramatic rebound in the early months of the period was accompanied by a gradual re-opening of economies across the globe, with intermittent market falls during the year. Politicians and central banks spent much of 2020 attempting to balance the need to contain the virus that causes COVID-19 with allowing economies to function.

Fiscal and monetary stimulus was provided in all regions, and included a historic European Union joint agreement providing €750 billion in assistance to member countries dealing with the pandemic’s economic fallout. The accord was hailed as a first step toward closer financial integration among member countries. Financial markets were also bolstered in the fourth quarter of 2020 by approvals of several COVID-19 vaccines. During the period, the final form of the agreement under which the U.K. would leave

the EU was reached, and a related trade agreement was inked as the year came to an end. The British pound rallied after the trade agreement was concluded.

The stock markets of Austria, the Netherlands and Sweden were the strongest performers. Switzerland was Europe’s worst-performing stock market, with Portugal and Belgium also lagging.

During the period, the Fund’s top-performing stocks included Ashtead Group, a British equipment-rentals company; ING Groep, a Dutch financial company; and Antofagasta, the U.K.-listed Chilean copper miner. Stocks that had a negative impact on the Fund’s performance included Unilever, the global consumer-goods company; Novo Nordisk, a Danish pharmaceuticals company; and London Stock Exchange Group.

### Recent Developments

News of COVID-19 vaccines in November resulted in a significant equity-market rotation in which investors have moved into stocks that trade at very low valuations and away from the growth stocks that have dominated the market gains over the past few years. Banks, automakers and insurers all outperformed in the final months of 2020. The first quarter of 2021 has seen a continuation of this trend, although markets stalled toward the end of the period. The speed of vaccination programs and the ballooning of government debts will be among the crucial factors determining the pace of the economic recovery, as well as the potential for the return of inflation, which may impact markets.

Effective February 28, 2021, Ms. Catherine J. Kloepfer resigned as Vice Chair of the Independent Review Committee (the “IRC”). Effective March 22, 2021, Mr. Paul K. Bates was appointed as Vice Chair of the IRC. Effective April 1, 2021, Ms. Brenda Eaton was appointed as a member of the IRC.

Effective June 26, 2020, Advisor Series mutual fund shares were capped and were re-designated as Series A mutual fund shares effective August 4, 2020.

### Related-Party Transactions

#### *Manager and Portfolio Manager*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio manager of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, 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 mutual fund shares of the Fund.



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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 shareholders 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 the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' investment in certain series of mutual fund shares 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 mutual fund shares 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.

***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 and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (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.



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## 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 Mutual Fund Share (\$)

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 A</b>												
<b>Mar. 31, 2021</b>	<b>9.38</b>	<b>0.23</b>	<b>(0.24)</b>	<b>0.16</b>	<b>2.33</b>	<b>2.48</b>	—	—	—	—	—	<b>12.25</b>
Mar. 31, 2020	11.11	0.27	(0.22)	(0.19)	(0.27)	(0.41)	—	—	(1.05)	—	(1.05)	9.38
Mar. 31, 2019	11.55	0.25	(0.24)	1.88	(2.49)	(0.60)	—	—	—	—	—	11.11
Mar. 31, 2018	10.52	0.31	(0.24)	0.46	0.59	1.12	—	—	—	—	—	11.55
Mar. 31, 2017	10.42	0.19	(0.22)	(0.25)	0.23	(0.05)	—	—	—	—	—	10.52
<b>Series D</b>												
<b>Mar. 31, 2021</b>	<b>9.82</b>	<b>0.24</b>	<b>(0.15)</b>	<b>0.17</b>	<b>2.77</b>	<b>3.03</b>	—	—	—	—	—	<b>12.94</b>
Mar. 31, 2020	11.53	0.29	(0.14)	(0.21)	(0.92)	(0.98)	—	—	(1.09)	—	(1.09)	9.82
Mar. 31, 2019	11.89	0.27	(0.14)	2.02	(2.27)	(0.12)	—	—	—	—	—	11.53
Mar. 31, 2018	10.73	0.31	(0.14)	0.46	0.35	0.98	—	—	—	—	—	11.89
Mar. 31, 2017	10.53	0.20	(0.13)	(0.26)	0.49	0.30	—	—	—	—	—	10.73
<b>Series F</b>												
<b>Mar. 31, 2021</b>	<b>9.97</b>	<b>0.24</b>	<b>(0.12)</b>	<b>0.17</b>	<b>3.03</b>	<b>3.32</b>	—	—	—	—	—	<b>13.16</b>
Mar. 31, 2020	11.67	0.26	(0.11)	(0.19)	(0.05)	(0.09)	—	—	(1.11)	—	(1.11)	9.97
Mar. 31, 2019	12.00	0.16	(0.11)	1.19	(0.80)	0.44	—	—	—	—	—	11.67
Mar. 31, 2018	10.80	0.30	(0.11)	0.45	0.34	0.98	—	—	—	—	—	12.00
Mar. 31, 2017	10.57	0.19	(0.10)	(0.26)	0.18	0.01	—	—	—	—	—	10.80
<b>Series I</b>												
<b>Mar. 31, 2021</b>	<b>10.09</b>	<b>0.25</b>	<b>(0.09)</b>	<b>0.17</b>	<b>2.94</b>	<b>3.27</b>	—	—	—	—	—	<b>13.36</b>
Mar. 31, 2020	11.77	0.29	(0.08)	(0.21)	(0.61)	(0.61)	—	—	(1.12)	—	(1.12)	10.09
Mar. 31, 2019	12.07	0.05	(0.10)	0.39	0.92	1.26	—	—	—	—	—	11.77
Mar. 31, 2018	10.85	0.31	(0.09)	0.46	0.45	1.13	—	—	—	—	—	12.07
Mar. 31, 2017	10.60	0.19	(0.08)	(0.26)	0.11	(0.04)	—	—	—	—	—	10.85
<b>Series O</b>												
<b>Mar. 31, 2021</b>	<b>10.48</b>	<b>0.26</b>	—	<b>0.18</b>	<b>3.05</b>	<b>3.49</b>	—	—	—	—	—	<b>13.97</b>
Mar. 31, 2020	12.14	0.30	—	(0.22)	(0.64)	(0.56)	—	—	(1.15)	—	(1.15)	10.48
Mar. 31, 2019	12.36	0.28	—	2.07	(2.58)	(0.23)	—	—	—	—	—	12.14
Mar. 31, 2018	11.03	0.32	—	0.48	0.53	1.33	—	—	—	—	—	12.36
Mar. 31, 2017	10.69	0.20	—	(0.27)	0.41	0.34	—	—	—	—	—	11.03

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

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



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**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares 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 A</b>							
<b>Mar. 31, 2021</b>	<b>12.25</b>	<b>1 089</b>	<b>89</b>	<b>2.11</b>	<b>2.11</b>	<b>10.73</b>	<b>0.15</b>
Mar. 31, 2020	9.38	528	56	2.13	2.17	19.59	0.08
Mar. 31, 2019	11.11	894	81	2.13	2.15	14.41	0.17
Mar. 31, 2018	11.55	1 259	109	2.11	2.12	9.38	0.19
Mar. 31, 2017	10.52	1 666	158	2.15	2.16	33.80	0.27
<b>Series D</b>							
<b>Mar. 31, 2021</b>	<b>12.94</b>	<b>1 851</b>	<b>143</b>	<b>1.23</b>	<b>1.23</b>	<b>10.73</b>	<b>0.15</b>
Mar. 31, 2020	9.82	1 089	111	1.26	1.30	19.59	0.08
Mar. 31, 2019	11.53	727	63	1.26	1.28	14.41	0.17
Mar. 31, 2018	11.89	568	48	1.24	1.25	9.38	0.19
Mar. 31, 2017	10.73	420	39	1.27	1.28	33.80	0.27
<b>Series F</b>							
<b>Mar. 31, 2021</b>	<b>13.16</b>	<b>1 079</b>	<b>82</b>	<b>1.01</b>	<b>1.01</b>	<b>10.73</b>	<b>0.15</b>
Mar. 31, 2020	9.97	1 054	106	1.02	1.06	19.59	0.08
Mar. 31, 2019	11.67	3 497	300	0.98	1.00	14.41	0.17
Mar. 31, 2018	12.00	21 875	1 823	0.96	0.97	9.38	0.19
Mar. 31, 2017	10.80	10 814	1 001	0.97	0.98	33.80	0.27
<b>Series I</b>							
<b>Mar. 31, 2021</b>	<b>13.36</b>	<b>1</b>	<b>–</b>	<b>0.80</b>	<b>0.80</b>	<b>10.73</b>	<b>0.15</b>
Mar. 31, 2020	10.09	1	–	0.80	0.84	19.59	0.08
Mar. 31, 2019	11.77	1	–	0.80	0.82	14.41	0.17
Mar. 31, 2018	12.07	22 754	1 885	0.79	0.80	9.38	0.19
Mar. 31, 2017	10.85	15 086	1 390	0.80	0.81	33.80	0.27
<b>Series O</b>							
<b>Mar. 31, 2021</b>	<b>13.97</b>	<b>2</b>	<b>–</b>	<b>0.05</b>	<b>0.05</b>	<b>10.73</b>	<b>0.15</b>
Mar. 31, 2020	10.48	1	–	0.05	0.09	19.59	0.08
Mar. 31, 2019	12.14	1	–	0.05	0.07	14.41	0.17
Mar. 31, 2018	12.36	1	–	0.05	0.06	9.38	0.19
Mar. 31, 2017	11.03	1	–	0.05	0.06	33.80	0.27

<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 shareholders, 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 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 June 30, 2016, the management fees for Series A mutual fund shares were reduced to 1.75% from 1.85%. If the changes to the management fees would have been in effect throughout the financial year ended March 31, 2017, the adjusted MER for each series of the Fund would be: Series A – 2.12%.



**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 A	1.75%	54%	46%	0.13%
Series D	1.00%	25%	75%	0.13%
Series F	0.75%	–	100%	0.13%
Series I	0.60%	–	100%	0.13%
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 mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

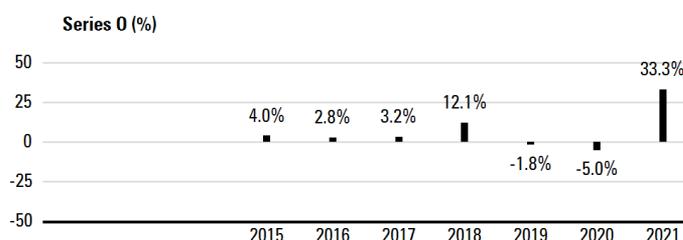
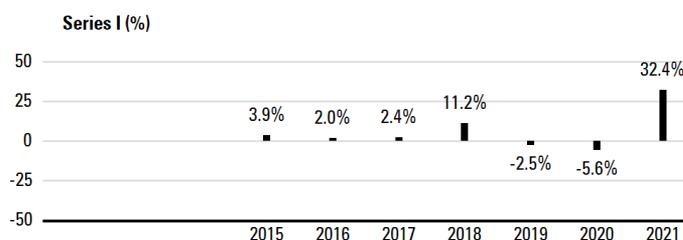
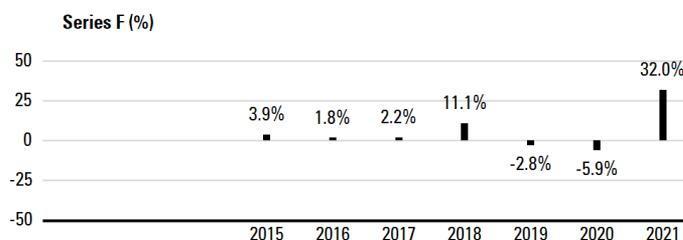
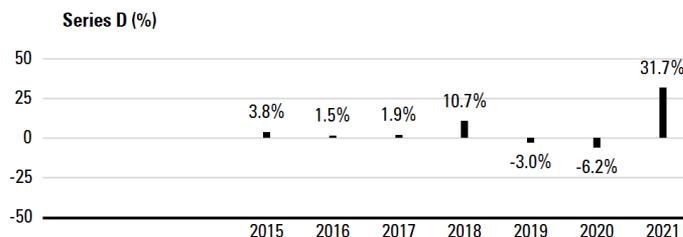
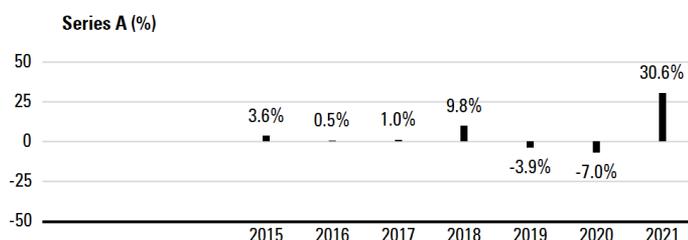
\* Includes all costs related to management, investment advisory services, general administration and profit.

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional shares 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.





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## 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 March 31, 2021, compared with the following benchmark:

#### MSCI Europe Total Return Net Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	30.6	5.3	5.3	–	5.0
Benchmark	28.0	4.8	7.6	–	5.6
Series D	31.7	6.2	6.2	–	5.9
Benchmark	28.0	4.8	7.6	–	5.6
Series F	32.0	6.5	6.5	–	6.2
Benchmark	28.0	4.8	7.6	–	5.6
Series I	32.4	6.8	6.8	–	6.4
Benchmark	28.0	4.8	7.6	–	5.6
Series O	33.3	7.5	7.5	–	7.2
Benchmark	28.0	4.8	7.6	–	5.6

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 D, Series F, Series I and Series O mutual fund shares have been available for sale to shareholders since January 26, 2015.

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

Advisor Series mutual fund shares were capped effective June 26, 2020, and re-designated as Series A mutual fund shares effective August 4, 2020. Series I mutual fund shares have been capped and are no longer available for purchase by new investors effective June 30, 2016.

### INDEX DESCRIPTIONS

**MSCI Europe Total Return Net Index (CAD)** This index is a broad measure of the Canadian dollar performance of major stock markets in Europe. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

## SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2021

### Investment Mix

	% of Net Asset Value
United Kingdom	38.9
France	12.5
Netherlands	12.3
Switzerland	8.7
Denmark	6.0
Germany	5.3
Ireland	5.3
Sweden	4.6
Finland	4.0
Spain	2.1
Other Countries	0.3

### Top 25 Holdings\*

	% of Net Asset Value
ING Groep N.V.	5.2
Ashtead Group Plc.	4.9
Novo Nordisk A/S	4.7
LVMH Louis Vuitton Moet-Hennessy	4.3
Barratt Developments Plc.	4.3
Unilever Plc.	3.8
Schroders Plc.	3.8
Antofagasta Plc.	3.7
Diageo Plc.	3.4
EssilorLuxottica	3.4
ASML Holding N.V.	3.3
London Stock Exchange Group Plc.	3.2
Sampo OYJ	3.1
Ryanair Holdings Plc. ADR	3.0
RELX Plc.	3.0
UBS Group AG	3.0
Heineken N.V.	2.9
Hargreaves Lansdown Plc.	2.9
Continental AG	2.6
Sika AG	2.6
SAP SE	2.5
Adidas AG	2.5
Safran S.A.	2.1
Linde Plc.	2.1
Atlas Copco AB	1.9
Top 25 Holdings	82.2

\* The Fund invests substantially all of its assets directly in the RBC European Equity Fund. The above are the Top 25 holdings of the RBC European Equity Fund.

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/en/ca](http://www.rbcgam.com/en/ca).

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at [www.sedar.com](http://www.sedar.com).