



INTERNATIONAL EQUITY FUND

## RBC ASIA PACIFIC EX-JAPAN EQUITY FUND

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December 31, 2023

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

Sub-Advisor: RBC Global Asset Management (Asia) Limited, Hong Kong, China

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 capital growth by investing primarily in equity securities of companies located or having a principal business interest in Asian markets such as Hong Kong, South Korea, China, Taiwan, Australia, New Zealand, Singapore, India, Malaysia, Thailand, the Philippines and Indonesia. The Fund does not invest in Japan.

To achieve the Fund's objectives, the portfolio manager uses primarily fundamental research to assess the economic outlook for the Asian region, including expected growth, market valuations and economic trends. The portfolio manager may invest as much as 10% of the Fund's assets in other funds managed by RBC GAM or an affiliate of RBC GAM.

### 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 was \$3.1 billion as of December 31, 2023, unchanged from the end of 2022.

Over the past year, the Fund's Series F units gained 1.6%, which underperformed the 4.5% 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.

Asian equities excluding Japan registered gains in 2023, driven by strong returns in South Korea, Taiwan and India. South Korea and Taiwan benefited from demand for technology hardware used in the development of artificial intelligence. India gained on solid economic growth, relatively benign inflation, a pro-business government and ample bank credit. China and Hong Kong underperformed as China's economy remains weak given the depressed property market, which dented consumer and business confidence.

Sector allocation had a negative impact on the Fund's relative returns due to the portfolio's underweight position in the Energy sector and overweight allocation to Consumer Discretionary. The negative impact of these allocations was offset somewhat by the positive impact of a below-benchmark allocation to the Real Estate sector.

Returns were aided by strong security selection in the Information Technology and Real Estate sectors, offset by weaker security selection in Financials.

The top individual contributors to the Fund's performance over the period were SK Hynix, a South Korean supplier of memory chips; Varun Beverages, which produces, bottles and distributes PepsiCo's beverages in India; and Tata Motors, an automotive company that makes commercial and passenger vehicles. Aside from the Tata brand, Tata sells cars under the Jaguar Land Rover make. The stocks that had the most negative impact on returns were APAC, which produces Budweiser and is the largest Asian brewery by sales, and Ping An Insurance, a Chinese insurer.

### Recent Developments

Asia's economic growth remains solid given stable domestic demand and healthy exports, particularly of semiconductors. Asia's labour market remains healthy, with job gains and steady growth in incomes adjusted for inflation. India, Indonesia and the Philippines are forecast to be the fastest-growing economies in the region in 2024, while China faces a significant challenge in public confidence, coupled with an aging population and record-high youth unemployment. Expectations for the Chinese economy remain low, but any success toward stabilizing the economy and housing market will be a boost for the region. There is good news in Australia, where higher interest rates have so far crimped inflation without pushing the economy into a recession.

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.

#### **Sub-Advisor**

RBC Global Asset Management (Asia) Limited is the sub-advisor and provides investment advice for the Fund. The sub-advisor earns a fee which is calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. The sub-advisor is paid by the manager from the management fee paid by the Fund.

#### **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 A</b>												
<b>Dec. 31, 2023</b>	<b>11.92</b>	<b>0.26</b>	<b>(0.27)</b>	<b>(0.83)</b>	<b>0.86</b>	<b>0.02</b>	–	–	–	–	–	<b>11.97</b>
Dec. 31, 2022	14.89	0.36	(0.27)	(0.28)	(2.86)	(3.05)	–	(0.08)	–	–	(0.08)	11.92
Dec. 31, 2021	16.03	0.26	(0.36)	1.33	(1.61)	(0.38)	–	–	(1.13)	–	(1.13)	14.89
Dec. 31, 2020	12.85	0.21	(0.29)	0.89	2.40	3.21	–	–	(0.04)	–	(0.04)	16.03
Dec. 31, 2019	11.42	0.22	(0.27)	(0.13)	1.60	1.42	–	–	–	–	–	12.85
<b>Series D</b>												
<b>Dec. 31, 2023</b>	<b>12.43</b>	<b>0.23</b>	<b>(0.17)</b>	<b>(0.73)</b>	<b>0.89</b>	<b>0.22</b>	–	<b>(0.11)</b>	–	–	<b>(0.11)</b>	<b>12.48</b>
Dec. 31, 2022	15.53	0.39	(0.18)	(0.31)	(6.41)	(6.51)	–	(0.20)	–	–	(0.20)	12.43
Dec. 31, 2021	16.59	0.27	(0.23)	1.39	(1.86)	(0.43)	–	(0.01)	(1.18)	–	(1.19)	15.53
Dec. 31, 2020	13.19	0.22	(0.19)	0.93	2.87	3.83	–	–	(0.04)	–	(0.04)	16.59
Dec. 31, 2019	11.66	0.22	(0.17)	(0.13)	1.68	1.60	–	(0.03)	–	–	(0.03)	13.19
<b>Series F</b>												
<b>Dec. 31, 2023</b>	<b>12.47</b>	<b>0.27</b>	<b>(0.14)</b>	<b>(0.85)</b>	<b>0.87</b>	<b>0.15</b>	–	<b>(0.14)</b>	–	–	<b>(0.14)</b>	<b>12.52</b>
Dec. 31, 2022	15.58	0.37	(0.14)	(0.30)	(2.59)	(2.66)	–	(0.23)	–	–	(0.23)	12.47
Dec. 31, 2021	16.62	0.27	(0.19)	1.38	(1.55)	(0.09)	–	(0.06)	(1.16)	–	(1.22)	15.58
Dec. 31, 2020	13.22	0.21	(0.15)	0.92	2.63	3.61	–	(0.05)	(0.04)	–	(0.09)	16.62
Dec. 31, 2019	11.69	0.22	(0.14)	(0.13)	1.70	1.65	–	(0.07)	–	–	(0.07)	13.22
<b>Series O</b>												
<b>Dec. 31, 2023</b>	<b>12.34</b>	<b>0.27</b>	–	<b>(0.85)</b>	<b>0.95</b>	<b>0.37</b>	–	<b>(0.27)</b>	–	–	<b>(0.27)</b>	<b>12.38</b>
Dec. 31, 2022	15.42	0.37	–	(0.29)	(2.63)	(2.55)	–	(0.37)	–	–	(0.37)	12.34
Dec. 31, 2021	16.48	0.27	–	1.38	(1.29)	0.36	(0.01)	(0.22)	(1.18)	–	(1.41)	15.42
Dec. 31, 2020	13.10	0.21	–	0.91	2.44	3.56	(0.01)	(0.22)	(0.04)	–	(0.27)	16.48
Dec. 31, 2019	11.59	0.22	–	(0.13)	1.64	1.73	–	(0.21)	–	–	(0.21)	13.10

<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.



**FINANCIAL HIGHLIGHTS (cont.)**

**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 A</b>							
<b>Dec. 31, 2023</b>	<b>11.97</b>	<b>7 034</b>	<b>588</b>	<b>2.21</b>	<b>2.21</b>	<b>52.46</b>	<b>0.21</b>
Dec. 31, 2022	11.92	7 585	636	2.21	2.21	37.65	0.17
Dec. 31, 2021	14.89	10 804	725	2.20	2.20	40.37	0.18
Dec. 31, 2020	16.03	8 072	504	2.20	2.20	50.55	0.22
Dec. 31, 2019	12.85	6 522	508	2.20	2.20	49.95	0.24
<b>Series D</b>							
<b>Dec. 31, 2023</b>	<b>12.48</b>	<b>349</b>	<b>28</b>	<b>1.36</b>	<b>1.36</b>	<b>52.46</b>	<b>0.21</b>
Dec. 31, 2022	12.43	381	31	1.38	1.38	37.65	0.17
Dec. 31, 2021	15.53	5 740	369	1.36	1.36	40.37	0.18
Dec. 31, 2020	16.59	4 299	259	1.38	1.38	50.55	0.22
Dec. 31, 2019	13.19	2 029	154	1.39	1.39	49.95	0.24
<b>Series F</b>							
<b>Dec. 31, 2023</b>	<b>12.52</b>	<b>11 764</b>	<b>940</b>	<b>1.10</b>	<b>1.10</b>	<b>52.46</b>	<b>0.21</b>
Dec. 31, 2022	12.47	13 761	1 104	1.11	1.11	37.65	0.17
Dec. 31, 2021	15.58	13 512	866	1.10	1.10	40.37	0.18
Dec. 31, 2020	16.62	9 419	567	1.11	1.11	50.55	0.22
Dec. 31, 2019	13.22	6 126	463	1.10	1.10	49.95	0.24
<b>Series O</b>							
<b>Dec. 31, 2023</b>	<b>12.38</b>	<b>3 062 862</b>	<b>247 361</b>	<b>0.02</b>	<b>0.02</b>	<b>52.46</b>	<b>0.21</b>
Dec. 31, 2022	12.34	3 082 601	249 816	0.02	0.02	37.65	0.17
Dec. 31, 2021	15.42	3 347 773	216 881	0.02	0.02	40.37	0.18
Dec. 31, 2020	16.48	2 836 112	172 084	0.02	0.02	50.55	0.22
Dec. 31, 2019	13.10	2 494 842	190 430	0.02	0.02	49.95	0.24

<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. The portfolio turnover rate is not applicable to money market funds.

<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.

**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	1.85%	54%	46%	0.15%
Series D	1.10%	23%	77%	0.15%
Series F	0.85%	–	100%	0.15%
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.

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

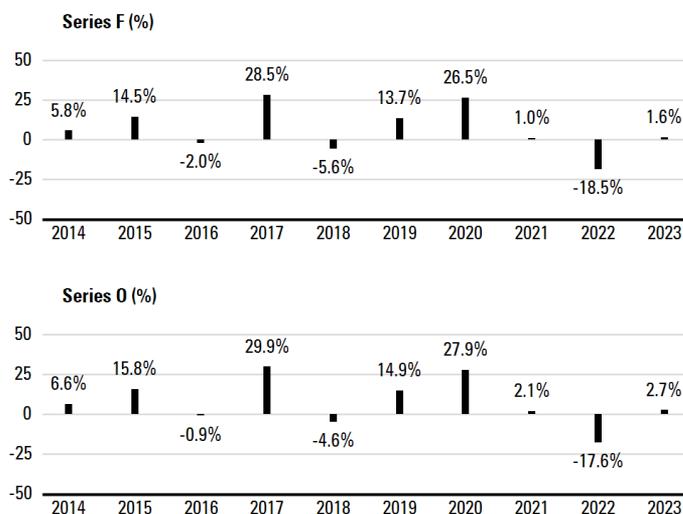
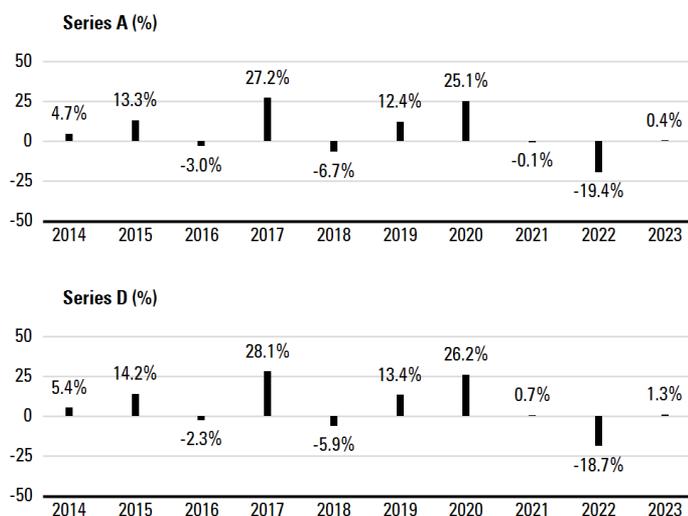


## PAST PERFORMANCE

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.



### 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:

MSCI AC Asia Pacific ex-Japan Total Return Net Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	0.4	-6.8	2.6	—	4.6
Benchmark	4.5	-3.8	3.9	—	6.0
Series D	1.3	-6.0	3.5	—	5.4
Benchmark	4.5	-3.8	3.9	—	6.0
Series F	1.6	-5.8	3.7	—	5.7
Benchmark	4.5	-3.8	3.9	—	6.0
Series O	2.7	-4.8	4.9	—	6.9
Benchmark	4.5	-3.8	3.9	—	6.0

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 and Series O units have been available for sale to unitholders since March 10, 2014.

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

### INDEX DESCRIPTIONS

**MSCI AC Asia Pacific ex-Japan Total Return Net Index (CAD)** This index is a broad measure of equity-market performance in Asia excluding Japan. Included in the index are the stock markets of Australia, Hong Kong, New Zealand and Singapore, as well as eight emerging-market countries including China and India. The Canadian-dollar index covers most of the free float-adjusted market capitalization in each country. 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 December 31, 2023

### Investment Mix

	% of Net Asset Value
India	18.2
Australia	17.5
China	17.4
South Korea	15.4
Taiwan	13.0
Hong Kong	8.0
Singapore	3.5
Indonesia	3.1
Other Countries	2.4
Cash/Other	1.5

### Top 25 Holdings

	% of Net Asset Value
Taiwan Semiconductor Manufacturing Co. Ltd.	8.8
Samsung Electronics Co. Ltd.	6.3
Tencent Holdings Ltd.	4.3
SK Hynix Inc.	3.6
CSL Ltd.	3.3
AIA Group Ltd.	3.3
BHP Group Ltd.	3.2
HDFC Bank Ltd.	3.0
DBS Group Holdings Ltd.	2.6
Macquarie Group Ltd.	2.6
Alibaba Group Holding Ltd.	2.4
Bharti Airtel Ltd.	2.0
Varun Beverages Ltd.	1.9
Samsung Engineering Co. Ltd.	1.8
Innovent Biologics Inc.	1.6
WiseTech Global Ltd.	1.5
Larsen & Toubro Ltd.	1.5
Bank Central Asia Tbk PT	1.5
Shenzhen Inovance Technology Co. Ltd.	1.4
Cash & Cash Equivalents	1.4
Goodman Group	1.4
Hong Kong Exchanges & Clearing Ltd.	1.3
Kia Corp.	1.3
Hindalco Industries Ltd.	1.3
Lottery Corp. Ltd.	1.3
Top 25 Holdings	64.6

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).