



U.S. EQUITY FUND

**RBC U.S. SMALL-CAP
CORE EQUITY FUND**

December 31, 2023

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota

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 seeks to provide long-term capital growth by investing primarily in equity securities of U.S. small-cap companies in order to provide broad exposure to economic growth opportunities in the equity markets.

The Fund's investment process is based primarily on fundamental research, although the sub-advisor will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook. The sub-advisor diversifies the Fund across industries in the U.S. market and selects companies based on strong management, focused business models and the potential for future growth in earnings and cash flow.

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 \$211 million as of December 31, 2023, from \$166 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 17.9%, which outperformed the 14.4% 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. equity markets rebounded in 2023, reversing losses from the previous year. Large-cap growth stocks performed particularly well, especially late in the year, as a short-lived banking crisis in March and mid-year concerns about inflation gave way to optimism in November and December that central banks would be able to begin lowering policy rates in 2024. Small-cap stocks also rallied, and their returns even exceeded large-cap stocks in December. For the year, however, large caps outperformed as a small number of the largest growth stocks linked to advances in artificial intelligence accounted for most of the gains in the benchmark U.S. index.

The Fund's outperformance was due to favourable stock-selection and sector-allocation decisions. The positive impact of stock selection in the Information Technology, Consumer Discretionary

and Materials sectors more than offset the negative impact of stock selection in Financials and Communication Services. The portfolio's overweight position in the relatively strong-performing Industrials sector added to relative returns.

Individual stocks that had a positive impact on returns included Super Micro Computer, G-III Apparel and Onto Innovation, while Maravai LifeSciences and Omnicell had a negative impact.

Recent Developments

The declines in inflation and interest rates in the second half of 2023 suggest investors are anticipating the U.S. Federal Reserve will consider policy-rate cuts sometime in the first half of 2024. The sub-advisor remains somewhat cautious about the state of the economy as 2024 begins given a loss of momentum in what has been a tight labour market and other signs that economic growth may be more subdued over the year ahead.

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 Cuyekeng 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 (U.S.) Inc. 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 ¹					Annual Distributions ²				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		
Series A												
Dec. 31, 2023	19.49	0.29	(0.43)	0.90	2.47	3.23	–	–	(0.26)	–	(0.26)	22.46
Dec. 31, 2022	22.79	0.25	(0.41)	0.85	(3.57)	(2.88)	–	–	(0.40)	–	(0.40)	19.49
Dec. 31, 2021	19.72	0.32	(0.46)	2.71	1.48	4.05	–	–	(1.10)	–	(1.10)	22.79
Dec. 31, 2020	19.18	0.26	(0.35)	0.08	0.32	0.31	–	–	–	–	–	19.72
Dec. 31, 2019	16.16	0.22	(0.37)	0.05	3.11	3.01	–	–	–	–	–	19.18
Series D												
Dec. 31, 2023	21.16	0.32	(0.27)	1.00	2.77	3.82	–	(0.01)	(0.29)	–	(0.30)	24.58
Dec. 31, 2022	24.54	0.28	(0.27)	0.95	(8.80)	(7.84)	–	–	(0.44)	–	(0.44)	21.16
Dec. 31, 2021	21.09	0.35	(0.29)	2.91	1.65	4.62	–	(0.02)	(1.20)	–	(1.22)	24.54
Dec. 31, 2020	20.37	0.28	(0.22)	0.08	(0.28)	(0.14)	–	(0.03)	–	–	(0.03)	21.09
Dec. 31, 2019	17.04	0.23	(0.23)	0.05	3.25	3.30	–	(0.02)	–	–	(0.02)	20.37
Series F												
Dec. 31, 2023	21.52	0.32	(0.22)	1.00	3.06	4.16	–	(0.07)	(0.29)	–	(0.36)	24.99
Dec. 31, 2022	24.89	0.27	(0.21)	0.93	(3.20)	(2.21)	–	–	(0.44)	–	(0.44)	21.52
Dec. 31, 2021	21.39	0.35	(0.23)	2.95	1.36	4.43	–	(0.09)	(1.20)	–	(1.29)	24.89
Dec. 31, 2020	20.66	0.28	(0.18)	0.08	0.14	0.32	–	(0.09)	–	–	(0.09)	21.39
Dec. 31, 2019	17.26	0.24	(0.18)	0.05	3.81	3.92	–	(0.07)	–	–	(0.07)	20.66
Series O												
Dec. 31, 2023	21.60	0.32	(0.03)	1.01	2.84	4.14	(0.01)	(0.27)	(0.30)	–	(0.58)	25.08
Dec. 31, 2022	25.01	0.27	(0.02)	0.94	(3.87)	(2.68)	(0.02)	(0.20)	(0.44)	–	(0.66)	21.60
Dec. 31, 2021	21.50	0.35	(0.03)	2.98	1.87	5.17	(0.01)	(0.30)	(1.22)	–	(1.53)	25.01
Dec. 31, 2020	20.75	0.28	(0.02)	0.08	1.04	1.38	(0.01)	(0.25)	–	–	(0.26)	21.50
Dec. 31, 2019	17.35	0.24	(0.02)	0.05	3.51	3.78	(0.01)	(0.24)	–	–	(0.25)	20.75

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.



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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Dec. 31, 2023	22.46	7 848	349	2.06	2.06	42.01	0.09
Dec. 31, 2022	19.49	7 199	369	2.06	2.06	36.53	0.09
Dec. 31, 2021	22.79	8 587	377	2.04	2.04	42.30	0.08
Dec. 31, 2020	19.72	7 518	381	2.04	2.04	43.32	0.11
Dec. 31, 2019	19.18	7 553	394	2.04	2.04	32.78	0.12
Series D							
Dec. 31, 2023	24.58	563	23	1.17	1.17	42.01	0.09
Dec. 31, 2022	21.16	312	15	1.23	1.23	36.53	0.09
Dec. 31, 2021	24.54	4 123	168	1.22	1.22	42.30	0.08
Dec. 31, 2020	21.09	3 613	171	1.22	1.22	43.32	0.11
Dec. 31, 2019	20.37	4 852	238	1.21	1.21	32.78	0.12
Series F							
Dec. 31, 2023	24.99	8 348	334	0.95	0.95	42.01	0.09
Dec. 31, 2022	21.52	6 415	298	0.95	0.95	36.53	0.09
Dec. 31, 2021	24.89	4 629	186	0.95	0.95	42.30	0.08
Dec. 31, 2020	21.39	3 156	148	0.95	0.95	43.32	0.11
Dec. 31, 2019	20.66	3 540	171	0.95	0.95	32.78	0.12
Series O							
Dec. 31, 2023	25.08	193 826	7 729	0.12	0.12	42.01	0.09
Dec. 31, 2022	21.60	152 480	7 060	0.11	0.11	36.53	0.09
Dec. 31, 2021	25.01	152 758	6 108	0.11	0.11	42.30	0.08
Dec. 31, 2020	21.50	132 537	6 166	0.11	0.11	43.32	0.11
Dec. 31, 2019	20.75	128 435	6 189	0.11	0.11	32.78	0.12

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.

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%	57%	43%	0.10%
Series D	1.00%	25%	75%	0.10%
Series F	0.75%	–	100%	0.10%
Series O	n/a	n/a	n/a	0.10%

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.

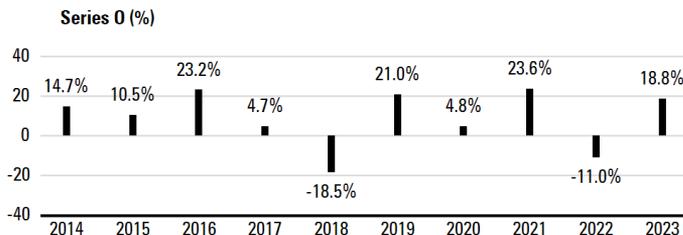
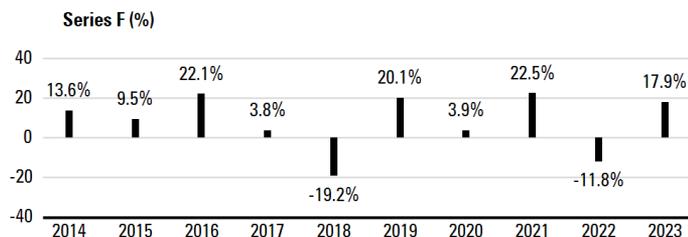
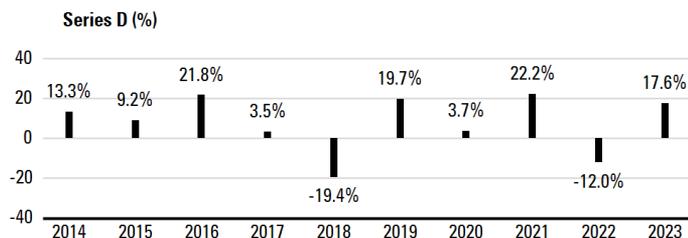
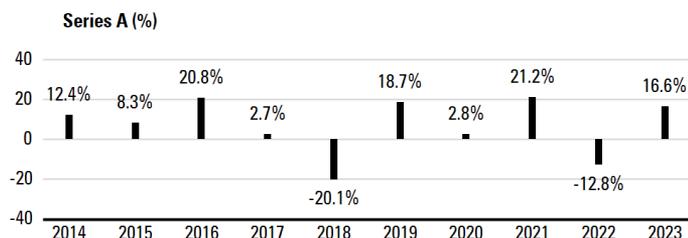


PAST PERFORMANCE

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:

Russell 2000 Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	16.6	7.2	8.5	6.1	—
Benchmark	14.4	3.6	9.3	9.6	—
Series D	17.6	8.1	9.4	7.0	—
Benchmark	14.4	3.6	9.3	9.6	—
Series F	17.9	8.4	9.7	7.3	—
Benchmark	14.4	3.6	9.3	9.6	—
Series 0	18.8	9.3	10.6	8.3	—
Benchmark	14.4	3.6	9.3	9.6	—

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.

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

Advisor Series units with a deferred sales charge option were re-designated as Series A units effective April 11, 2022.

INDEX DESCRIPTIONS

Russell 2000 Index (CAD) This index measures the Canadian-dollar performance of the small-cap segment of the U.S. equity universe and includes 2,000 of the smallest securities based on market capitalization.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2023

Investment Mix

	% of Net Asset Value
Industrials	26.9
Consumer Discretionary	15.1
Information Technology	14.2
Financials	9.7
Health Care	8.1
Energy	8.0
Real Estate	4.3
Materials	4.1
Communication Services	2.3
Consumer Staples	2.2
Underlying Funds	1.4
Utilities	0.9
Cash/Other	2.8

Top 25 Holdings

	% of Net Asset Value
Atkore Inc.	3.8
Compass Diversified Holdings	3.4
Group 1 Automotive Inc.	3.4
Ducommun Inc.	3.2
Barrett Business Services Inc.	3.0
Super Micro Computer Inc.	2.9
Taylor Morrison Home Corp.	2.9
Cash & Cash Equivalents	2.8
Matador Resources Co.	2.6
CBIZ Inc.	2.6
Par Pacific Holdings Inc.	2.4
Magnolia Oil & Gas Corp.	2.3
Insteel Industries Inc.	2.3
Nexstar Media Group Inc.	2.3
Columbus McKinnon Corp.	2.2
Koppers Holdings Inc.	2.2
Arcosa Inc.	2.1
Onto Innovation Inc.	2.0
Patrick Industries Inc.	2.0
Lantheus Holdings Inc.	1.9
Materion Corp.	1.9
ACCO Brands Corp.	1.9
Deckers Outdoor Corp.	1.8
Hudson Technologies Inc.	1.8
EastGroup Properties Inc.	1.8
Top 25 Holdings	61.5

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.