



CANADIAN EQUITY FUND

RBC CANADIAN EQUITY INCOME FUND

December 31, 2022

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 9, 2023.

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.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.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of monthly cash flow, relatively tax-efficient distributions consisting primarily of returns of capital, capital gains and interest income, as well as the potential for modest capital growth.

To achieve its objective, the Fund invests primarily in a diversified portfolio of Canadian equity securities including common and preferred shares, real estate investment trusts and income trusts. The Fund may also invest in fixed-income securities, such as government and corporate bonds, debentures and notes.

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 fell to \$3.1 billion as of December 31, 2022, from \$3.3 billion at the end of 2021. The decrease was due to a combination of net redemptions and investment losses.

Over the past year, the Fund's Series F units lost 2.9%, which outperformed the 5.8% decline 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.

In 2022, the Fund made monthly distributions of 10.90 cents per Series F unit. For the year, the Fund made total distributions of approximately \$1.98 cents per Series F unit, consisting of 3 cents per unit from interest income, \$1.28 from dividends and 67 cents from capital gains. The total distribution included an extra 67-cent year-end payout for each Series F unit.

Canadian and U.S. stocks tumbled in 2022, fueled by the highest inflation in decades and the concurrent rise in interest rates. Stocks came under pressure after the U.S. Federal Reserve and the Bank of Canada responded to inflation – the fastest in 40 years – with a vow to stamp it out with successive interest-rate hikes. Interest-rate-sensitive stocks were hurt most, resulting in a sell-off in the Information Technology sector in both markets. Meanwhile, a surge in energy prices helped cushion market returns in Canada, which

outperformed most other major markets during the year. The drop in the S&P 500 Index was the worst since 2008 – the year of the financial crisis – but only since 2018 for the Canadian benchmark.

The Fund's relative exposure to Canadian Natural Resources, Tourmaline Oil and Brookfield Corp. had the most positive impact on the Fund's returns, while exposure to Cenovus Energy, Neo Performance Materials and Alimentation Couche-Tard was negative for performance.

The sectors that had the most positive impact on the Fund's returns were Information Technology, Energy and Financials, while exposure to Real Estate and Industrials had a negative impact.

The Fund had overweight positions in Topaz Energy, Nutrien and Chartwell Retirement Residences and underweight positions in Canadian National Railway, Alimentation Couche-Tard and Waste Connections.

At the sector level, the Fund had overweight exposure to Real Estate, Energy and Materials and underweight exposure to Consumer Discretionary, Financials and Industrials.

Recent Developments

Uncertainty is elevated and there is a wide range of potential outcomes for the economy and financial markets. The good news for investors is that stocks are now much more reasonably priced than they were at the start of the year. While valuation risk has diminished and long-term return potential has increased, stock prices could still fall in the event that we enter a recession and earnings decline. In the current environment, stock gains could be limited in the near term absent evidence that the economy is cooling adequately to bring down inflation while avoiding a recession.

Effective September 20, 2022, Brenda Eaton was appointed as Vice Chair of the Independent Review Committee (the "IRC") following the death of Paul K. Bates, who had served as a dedicated member of the IRC since December 2014. Effective December 31, 2022, Charles F. Macfarlane stepped down as a member of the IRC, and effective January 1, 2023, Suromitra Sanatani was appointed as Chair of the IRC.

Effective April 11, 2022, all Advisor Series units with a deferred sales charge option were re-designated as Series A units. Any redemption fees associated with such re-designations were waived by RBC GAM.

Effective April 8, 2022, the RBC Canadian Equity Income Class was merged into the Fund and shareholders of the RBC Canadian Equity Income Class received units of the Fund on a tax-deferred basis.



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.

Brokers and Dealers

The Fund has established standard brokerage and dealing agreements at market rates with related parties. For the periods ended December 31, 2022 and 2021, the related-party commissions were \$197,000 (2021 – \$235,000) or 13% (2021 – 14%) of the total transaction costs paid for this 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.



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, 2022	31.26	1.30	(0.57)	2.21	(4.21)	(1.27)	(0.02)	(1.06)	(0.55)	–	(1.63)	28.48
Dec. 31, 2021	25.64	1.01	(0.55)	1.86	5.02	7.34	–	(0.58)	(1.09)	–	(1.67)	31.26
Dec. 31, 2020	27.24	1.13	(0.45)	(0.01)	(0.47)	0.20	–	(0.83)	–	(0.26)	(1.09)	25.64
Dec. 31, 2019	23.47	1.03	(0.50)	0.75	3.67	4.95	–	(0.80)	(0.07)	(0.22)	(1.09)	27.24
Dec. 31, 2018	27.20	1.02	(0.50)	0.78	(3.66)	(2.36)	–	(0.63)	(0.70)	–	(1.33)	23.47
Series T5												
Dec. 31, 2022	10.47	0.42	(0.18)	0.71	(2.49)	(1.54)	–	(0.27)	(0.33)	–	(0.60)	9.50
Dec. 31, 2021 ³	10.00 [†]	0.16	(0.09)	0.29	0.38	0.74	–	(0.11)	(0.20)	–	(0.31)	10.47
Series D												
Dec. 31, 2022	36.27	1.53	(0.38)	2.60	1.45	5.20	(0.03)	(1.22)	(0.63)	–	(1.88)	33.35
Dec. 31, 2021	29.50	1.16	(0.35)	2.15	5.69	8.65	–	(0.66)	(1.25)	–	(1.91)	36.27
Dec. 31, 2020	31.07	1.29	(0.29)	(0.01)	(1.56)	(0.57)	–	(0.95)	–	(0.29)	(1.24)	29.50
Dec. 31, 2019	26.52	1.17	(0.31)	0.85	4.07	5.78	–	(0.90)	(0.08)	(0.24)	(1.22)	31.07
Dec. 31, 2018	30.47	1.15	(0.31)	0.88	(4.20)	(2.48)	–	(0.70)	(0.79)	–	(1.49)	26.52
Series F												
Dec. 31, 2022	38.44	1.61	(0.29)	2.74	(6.48)	(2.42)	(0.03)	(1.28)	(0.67)	–	(1.98)	35.45
Dec. 31, 2021	31.16	1.23	(0.28)	2.28	5.98	9.21	–	(0.68)	(1.33)	–	(2.01)	38.44
Dec. 31, 2020	32.73	1.36	(0.22)	(0.01)	(1.69)	(0.56)	–	(1.00)	–	(0.31)	(1.31)	31.16
Dec. 31, 2019	27.86	1.23	(0.24)	0.90	4.21	6.10	–	(0.93)	(0.09)	(0.26)	(1.28)	32.73
Dec. 31, 2018	31.91	1.21	(0.23)	0.92	(4.41)	(2.51)	–	(0.74)	(0.82)	–	(1.56)	27.86
Series FT5												
Dec. 31, 2022	10.48	0.44	(0.08)	0.74	(2.51)	(1.41)	–	(0.36)	(0.25)	–	(0.61)	9.60
Dec. 31, 2021 ³	10.00 [†]	0.16	(0.04)	0.29	0.19	0.60	–	(0.10)	(0.25)	–	(0.35)	10.48
Series O												
Dec. 31, 2022	39.30	1.65	(0.01)	2.82	(3.07)	1.39	(0.03)	(1.29)	(0.68)	–	(2.00)	36.54
Dec. 31, 2021	31.62	1.25	(0.01)	2.32	6.27	9.83	–	(0.69)	(1.35)	–	(2.04)	39.30
Dec. 31, 2020	32.95	1.38	(0.01)	(0.01)	(1.70)	(0.34)	–	(1.00)	–	(0.31)	(1.31)	31.62
Dec. 31, 2019	27.83	1.23	(0.01)	0.90	4.40	6.52	–	(0.93)	(0.09)	(0.25)	(1.27)	32.95
Dec. 31, 2018	31.64	1.20	(0.01)	0.92	(4.34)	(2.23)	–	(0.72)	(0.83)	–	(1.55)	27.83

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.

³ From July 12, 2021.

[†] Initial offering net asset value per unit.



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, 2022	28.48	1 487 469	52 237	1.86	1.86	29.08	0.05
Dec. 31, 2021	31.26	1 579 546	50 534	1.86	1.86	31.01	0.06
Dec. 31, 2020	25.64	1 370 105	53 438	1.87	1.87	44.10	0.09
Dec. 31, 2019	27.24	1 191 542	43 743	1.92	1.92	27.21	0.06
Dec. 31, 2018	23.47	1 156 071	49 261	1.92	1.92	41.14	0.09
Series T5							
Dec. 31, 2022	9.50	7 659	807	1.79	1.79	29.08	0.05
Dec. 31, 2021 ⁴	10.47	147	14	1.79	1.79	31.01	0.06
Series D							
Dec. 31, 2022	33.35	49 695	1 490	1.04	1.04	29.08	0.05
Dec. 31, 2021	36.27	283 423	7 814	1.04	1.04	31.01	0.06
Dec. 31, 2020	29.50	222 505	7 544	1.04	1.04	44.10	0.09
Dec. 31, 2019	31.07	251 566	8 096	1.04	1.04	27.21	0.06
Dec. 31, 2018	26.52	223 747	8 436	1.04	1.04	41.14	0.09
Series F							
Dec. 31, 2022	35.45	1 257 278	35 469	0.76	0.76	29.08	0.05
Dec. 31, 2021	38.44	821 419	21 370	0.76	0.76	31.01	0.06
Dec. 31, 2020	31.16	607 253	19 487	0.76	0.76	44.10	0.09
Dec. 31, 2019	32.73	674 460	20 605	0.76	0.76	27.21	0.06
Dec. 31, 2018	27.86	544 693	19 551	0.76	0.76	41.14	0.09
Series FT5							
Dec. 31, 2022	9.60	13 626	1 420	0.77	0.77	29.08	0.05
Dec. 31, 2021 ⁴	10.48	511	49	0.78	0.78	31.01	0.06
Series O							
Dec. 31, 2022	36.54	279 587	7 651	0.02	0.02	29.08	0.05
Dec. 31, 2021	39.30	542 849	13 812	0.02	0.02	31.01	0.06
Dec. 31, 2020	31.62	457 398	14 468	0.02	0.02	44.10	0.09
Dec. 31, 2019	32.95	532 805	16 169	0.02	0.02	27.21	0.06
Dec. 31, 2018	27.83	497 424	17 874	0.02	0.02	41.14	0.09

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.

⁴ From July 12, 2021.

Effective March 1, 2020, the administration fees for Series A units were reduced to 0.10% from 0.15%. If the changes to the administration 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 – 1.87%.



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	1.60%	63%	37%	0.10%
Series T5	1.60%	63%	37%	0.10%
Series D	0.85%	29%	71%	0.10%
Series F	0.60%	–	100%	0.10%
Series FT5	0.60%	–	100%	0.10%
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.

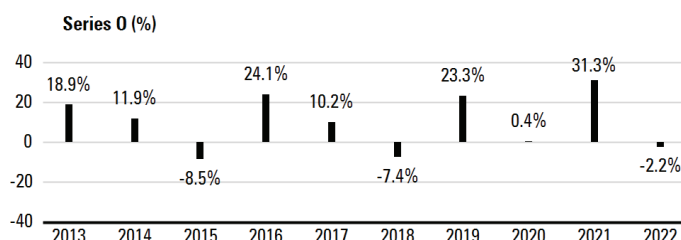
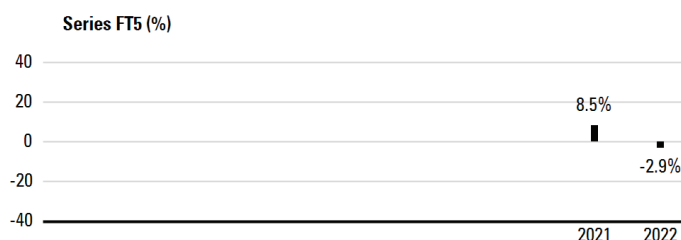
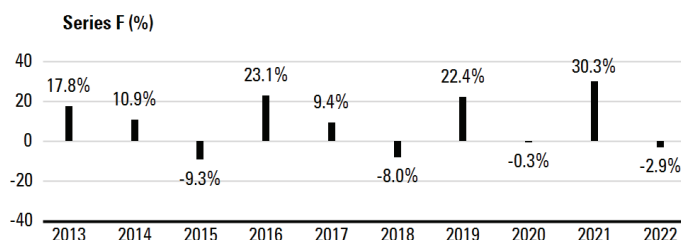
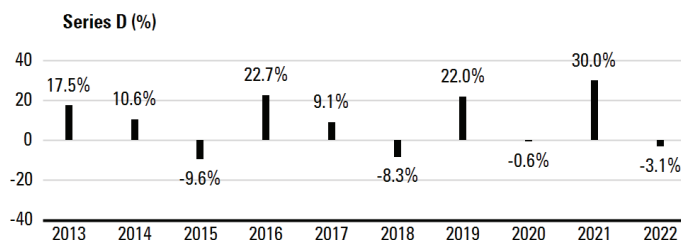
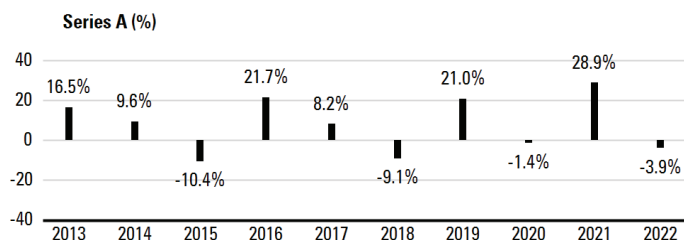
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

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.





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, 2022, compared with the following benchmark:

S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	-3.9	6.9	6.1	7.3	–
Benchmark	-5.8	7.5	6.8	7.7	–
Series T5	-3.9	–	–	–	2.5
Benchmark	-5.8	–	–	–	0.0
Series D	-3.1	7.8	7.0	8.2	–
Benchmark	-5.8	7.5	6.8	7.7	–
Series F	-2.9	8.1	7.3	8.5	–
Benchmark	-5.8	7.5	6.8	7.7	–
Series FT5	-2.9	–	–	–	3.6
Benchmark	-5.8	–	–	–	0.0
Series O	-2.2	8.9	8.1	9.4	–
Benchmark	-5.8	7.5	6.8	7.7	–

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 T5 and Series FT5 units have been available for sale to unitholders since July 12, 2021.

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

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, 2022

Investment Mix

	% of Net Asset Value
Financials	33.6
Energy	17.1
Real Estate	10.0
Industrials	8.9
Utilities	8.9
Materials	8.2
Communication Services	4.8
Consumer Discretionary	2.6
Consumer Staples	1.7
Health Care	0.8
Information Technology	0.6
Convertible Bonds	0.3
Cash/Other	2.5

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	7.4
Toronto-Dominion Bank	5.7
Enbridge Inc	4.9
Bank of Montreal	3.4
Bank of Nova Scotia	3.2
Canadian Pacific Railway Ltd	2.9
Canadian Imperial Bank of Commerce	2.5
Brookfield Corp	2.5
Canadian Natural Resources Ltd	2.3
Cash & Cash Equivalents	2.2
Nutrien Ltd	2.2
BCE Inc	2.2
Sun Life Financial Inc	2.1
TC Energy Corp	2.0
TELUS Corp	1.9
Agnico Eagle Mines Ltd	1.7
Intact Financial Corp	1.7
Suncor Energy Inc	1.5
Manulife Financial Corp	1.5
Fortis Inc/Canada	1.5
Pembina Pipeline Corp	1.4
Brookfield Infrastructure Partners LP	1.4
Tourmaline Oil Corp	1.3
RioCan Real Estate Investment Trust	1.3
Granite Real Estate Investment Trust	1.2
Top 25 Holdings	61.9

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.