



CANADIAN EQUITY FUND

## RBC CANADIAN EQUITY FUND

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June 30, 2021

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 9, 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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim financial statements or 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.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in equity securities of major Canadian companies to provide broad exposure to economic growth opportunities in Canada.

The Fund seeks to identify the best potential for growth while limiting risk and may hold shares of small- and mid-cap companies and securities of comparable foreign companies.

### Results of Operations

The Fund's net asset value was \$2.3 billion as of June 30, 2021.

Over the past six months, the Fund's Series A units gained 18.2%. The Fund's return is after the deduction of fees and expenses. 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.

The S&P/TSX Composite Index had exceptionally strong returns during the first half of 2021 and was among the world's strongest-performing equity markets. Canadian stocks benefited from rising commodity prices given that the Energy and Materials sectors make up a significant portion of the Canadian market. The Financials sector, the third major leg of Canada's stock market, was bolstered by a rise in long-term interest rates and an anticipated recovery in domestic economic growth. Widespread acceptance of vaccinations by Canadians led to optimism that the domestic economy would recover in the second half of the year, in line with strength in the U.S.

The Fund's relative performance was aided by an overweight allocation to the Energy sector. Overweight positions in Arc Resources, Suncor Energy, Keyera and Canadian Natural Resources contributed to returns as the companies benefited from continued strength in oil prices. An overweight position in RioCan REIT also had a positive impact on returns as the large owner of real estate benefited from optimism about the reopening of the economy.

Security selection in the Information Technology and Health Care sectors had a negative impact on the Fund's relative performance. An overweight allocation to Maple Leaf Foods limited performance as the packaged-meats company was hurt by results at its new division that produces plant-based meat alternatives. Returns were also limited by an overweight position in Boralex, whose share price fell back after big gains in 2020.

### Recent Developments

With the economic recovery well underway, inflation and interest rates have risen, affecting bond markets. Parliament will have to decide whether generous assistance programs are still required as government-debt levels rise, and the Bank of Canada will have to weigh whether the extension of historically low interest rates and bond purchases heighten the risk of a more serious inflation threat.

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.

### 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 June 30, 2021 and 2020, the related-party commissions were \$185,000 (2020 – \$85,000) or 25% (2020 – 13%) 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 six months (noted by June 30, 2021), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and 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>June 30, 2021</b>	<b>22.79</b>	<b>0.34</b>	<b>(0.23)</b>	<b>1.40</b>	<b>2.64</b>	<b>4.15</b>	–	–	–	–	–	<b>26.93</b>
Dec. 31, 2020	24.34	0.85	(0.41)	1.09	(2.12)	(0.59)	–	(0.41)	(0.72)	–	(1.13)	22.79
Dec. 31, 2019	21.04	–	–	–	4.24	4.24	–	(0.27)	(0.59)	–	(0.86)	24.34
Dec. 31, 2018	24.48	0.74	(0.45)	1.25	(3.83)	(2.29)	–	(0.22)	(0.84)	–	(1.06)	21.04
Dec. 31, 2017	24.78	0.66	(0.48)	2.08	(0.65)	1.61	–	(0.09)	(1.86)	–	(1.95)	24.48
Dec. 31, 2016	20.82	0.65	(0.44)	1.01	2.83	4.05	–	(0.15)	–	–	(0.15)	24.78
<b>Advisor Series</b>												
<b>June 30, 2021</b>	<b>22.95</b>	<b>0.35</b>	<b>(0.24)</b>	<b>1.41</b>	<b>2.67</b>	<b>4.19</b>	–	–	–	–	–	<b>27.11</b>
Dec. 31, 2020	24.50	0.85	(0.41)	1.09	(4.15)	(2.62)	–	(0.41)	(0.72)	–	(1.13)	22.95
Dec. 31, 2019	21.18	–	–	–	4.33	4.33	–	(0.27)	(0.59)	–	(0.86)	24.50
Dec. 31, 2018	24.63	0.74	(0.45)	1.25	(3.81)	(2.27)	–	(0.22)	(0.85)	–	(1.07)	21.18
Dec. 31, 2017	24.92	0.67	(0.47)	2.10	(0.68)	1.62	–	(0.09)	(1.86)	–	(1.95)	24.63
Dec. 31, 2016	20.93	0.66	(0.44)	1.02	2.91	4.15	–	(0.15)	–	–	(0.15)	24.92
<b>Series T5</b>												
<b>June 30, 2021</b>	<b>22.10</b>	<b>0.33</b>	<b>(0.22)</b>	<b>1.35</b>	<b>2.41</b>	<b>3.87</b>	–	<b>(0.55)</b>	–	–	<b>(0.55)</b>	<b>25.53</b>
Dec. 31, 2020	23.81	0.81	(0.37)	1.04	1.23	2.71	–	(0.39)	(0.64)	(0.16)	(1.19)	22.10
Dec. 31, 2019	20.79	–	–	–	4.06	4.06	–	(0.24)	(0.43)	(0.37)	(1.04)	23.81
Dec. 31, 2018	24.24	0.71	(0.42)	1.21	(3.26)	(1.76)	–	(0.21)	–	(1.00)	(1.21)	20.79
Dec. 31, 2017 <sup>3</sup>	24.97 <sup>†</sup>	0.55	(0.38)	1.74	0.04	1.95	(0.02)	(0.08)	(2.06)	–	(2.16)	24.24
<b>Series D</b>												
<b>June 30, 2021</b>	<b>23.34</b>	<b>0.35</b>	<b>(0.13)</b>	<b>1.44</b>	<b>2.70</b>	<b>4.36</b>	–	–	–	–	–	<b>27.70</b>
Dec. 31, 2020	24.93	0.87	(0.24)	1.12	(2.14)	(0.39)	(0.01)	(0.61)	(0.74)	–	(1.36)	23.34
Dec. 31, 2019	21.56	–	–	–	4.55	4.55	(0.01)	(0.49)	(0.61)	–	(1.11)	24.93
Dec. 31, 2018	25.09	0.76	(0.26)	1.28	(3.97)	(2.19)	–	(0.42)	(0.87)	–	(1.29)	21.56
Dec. 31, 2017	25.40	0.68	(0.27)	2.14	(0.65)	1.90	–	(0.32)	(1.91)	–	(2.23)	25.09
Dec. 31, 2016	21.35	0.67	(0.26)	1.04	2.93	4.38	–	(0.36)	–	–	(0.36)	25.40
<b>Series F</b>												
<b>June 30, 2021</b>	<b>25.30</b>	<b>0.38</b>	<b>(0.11)</b>	<b>1.56</b>	<b>2.94</b>	<b>4.77</b>	–	–	–	–	–	<b>30.06</b>
Dec. 31, 2020	27.02	0.95	(0.19)	1.21	(2.21)	(0.24)	(0.01)	(0.75)	(0.80)	–	(1.56)	25.30
Dec. 31, 2019	23.37	–	–	–	4.84	4.84	(0.01)	(0.61)	(0.66)	–	(1.28)	27.02
Dec. 31, 2018	27.22	0.82	(0.20)	1.40	(4.42)	(2.40)	–	(0.53)	(0.95)	–	(1.48)	23.37
Dec. 31, 2017	27.57	0.75	(0.22)	2.34	(0.47)	2.40	–	(0.43)	(2.08)	–	(2.51)	27.22
Dec. 31, 2016	23.17	0.74	(0.21)	1.14	3.45	5.12	–	(0.47)	–	–	(0.47)	27.57
<b>Series FT5</b>												
<b>June 30, 2021</b>	<b>24.36</b>	<b>0.36</b>	<b>(0.10)</b>	<b>1.49</b>	<b>2.02</b>	<b>3.77</b>	–	<b>(0.61)</b>	–	–	<b>(0.61)</b>	<b>28.29</b>
Dec. 31, 2020	26.16	0.89	(0.17)	1.15	(3.48)	(1.61)	–	(0.66)	(0.84)	–	(1.50)	24.36
Dec. 31, 2019	23.43	–	–	–	4.61	4.61	–	(0.58)	(1.56)	–	(2.14)	26.16
Dec. 31, 2018	27.03	0.80	(0.20)	1.36	(4.49)	(2.53)	–	(0.47)	–	(0.88)	(1.35)	23.43
Dec. 31, 2017 <sup>3</sup>	27.83 <sup>†</sup>	0.62	(0.17)	1.95	1.61	4.01	(0.02)	(0.30)	(2.34)	–	(2.66)	27.03



**FINANCIAL HIGHLIGHTS (cont.)**

**Change in Net Assets Per Unit (\$) (cont.)**

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 I</b>												
<b>June 30, 2021</b>	<b>25.37</b>	<b>0.38</b>	<b>(0.03)</b>	<b>1.57</b>	<b>2.94</b>	<b>4.86</b>	–	–	–	–	–	<b>30.23</b>
Dec. 31, 2020	27.12	0.95	(0.06)	1.22	(2.11)	–	(0.01)	(0.90)	(0.81)	–	(1.72)	25.37
Dec. 31, 2019	23.46	–	–	–	5.12	5.12	(0.01)	(0.77)	(0.66)	–	(1.44)	27.12
Dec. 31, 2018	27.32	0.83	(0.07)	1.40	(4.37)	(2.21)	(0.01)	(0.65)	(0.96)	–	(1.62)	23.46
Dec. 31, 2017	27.70	0.75	(0.07)	2.35	(0.70)	2.33	–	(0.60)	(2.10)	–	(2.70)	27.32
Dec. 31, 2016	23.26	0.74	(0.06)	1.14	3.24	5.06	–	(0.62)	–	–	(0.62)	27.70
<b>Series O</b>												
<b>June 30, 2021</b>	<b>20.93</b>	<b>0.32</b>	–	<b>1.30</b>	<b>2.49</b>	<b>4.11</b>	–	–	–	–	–	<b>24.97</b>
Dec. 31, 2020	22.38	0.79	–	1.01	(1.05)	0.75	(0.01)	(0.79)	(0.67)	–	(1.47)	20.93
Dec. 31, 2019	19.37	–	–	–	4.28	4.28	(0.01)	(0.69)	(0.55)	–	(1.25)	22.38
Dec. 31, 2018	22.56	0.68	–	1.16	(3.61)	(1.77)	(0.01)	(0.59)	(0.79)	–	(1.39)	19.37
Dec. 31, 2017	22.90	0.62	(0.01)	1.94	(0.52)	2.03	–	(0.57)	(1.75)	–	(2.32)	22.56
Dec. 31, 2016	19.24	0.61	–	0.94	2.69	4.24	–	(0.58)	–	–	(0.58)	22.90

<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.

<sup>3</sup> From February 27, 2017.

<sup>†</sup> Initial offering net asset value per unit.

**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>June 30, 2021</b>	<b>26.93</b>	<b>1 371 482</b>	<b>50 922</b>	<b>1.87</b>	<b>1.87</b>	<b>48.14</b>	<b>0.04</b>
Dec. 31, 2020	22.79	1 242 497	54 521	1.87	1.87	40.80	0.08
Dec. 31, 2019	24.34	1 405 298	57 741	1.89	1.89	21.64	0.06
Dec. 31, 2018	21.04	1 361 956	64 717	1.89	1.89	34.22	0.09
Dec. 31, 2017	24.48	1 741 919	71 173	1.89	1.89	40.35	0.10
Dec. 31, 2016	24.78	1 865 207	75 277	1.97	1.97	23.57	0.07
<b>Advisor Series</b>							
<b>June 30, 2021</b>	<b>27.11</b>	<b>2 629</b>	<b>97</b>	<b>1.90</b>	<b>1.90</b>	<b>48.14</b>	<b>0.04</b>
Dec. 31, 2020	22.95	2 574	112	1.88	1.88	40.80	0.08
Dec. 31, 2019	24.50	11 588	473	1.88	1.88	21.64	0.06
Dec. 31, 2018	21.18	11 924	563	1.87	1.87	34.22	0.09
Dec. 31, 2017	24.63	15 671	636	1.87	1.87	40.35	0.10
Dec. 31, 2016	24.92	15 951	640	1.95	1.95	23.57	0.07
<b>Series T5</b>							
<b>June 30, 2021</b>	<b>25.53</b>	<b>71</b>	<b>3</b>	<b>1.81</b>	<b>1.81</b>	<b>48.14</b>	<b>0.04</b>
Dec. 31, 2020	22.10	53	2	1.82	1.82	40.80	0.08
Dec. 31, 2019	23.81	36	2	1.83	1.83	21.64	0.06
Dec. 31, 2018	20.79	32	2	1.80	1.80	34.22	0.09
Dec. 31, 2017 <sup>4</sup>	24.24	22	1	1.79	1.79	40.35	0.10



**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data (cont.)**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series D</b>							
<b>June 30, 2021</b>	<b>27.70</b>	<b>122 252</b>	<b>4 414</b>	<b>1.05</b>	<b>1.05</b>	<b>48.14</b>	<b>0.04</b>
Dec. 31, 2020	23.34	107 791	4 618	1.05	1.05	40.80	0.08
Dec. 31, 2019	24.93	118 511	4 754	1.05	1.05	21.64	0.06
Dec. 31, 2018	21.56	107 533	4 988	1.05	1.05	34.22	0.09
Dec. 31, 2017	25.09	126 564	5 045	1.05	1.05	40.35	0.10
Dec. 31, 2016	25.40	124 611	4 905	1.13	1.13	23.57	0.07
<b>Series F</b>							
<b>June 30, 2021</b>	<b>30.06</b>	<b>224 752</b>	<b>7 476</b>	<b>0.77</b>	<b>0.77</b>	<b>48.14</b>	<b>0.04</b>
Dec. 31, 2020	25.30	191 737	7 579	0.77	0.77	40.80	0.08
Dec. 31, 2019	27.02	198 670	7 352	0.77	0.77	21.64	0.06
Dec. 31, 2018	23.37	145 271	6 215	0.77	0.77	34.22	0.09
Dec. 31, 2017	27.22	116 721	4 289	0.77	0.77	40.35	0.10
Dec. 31, 2016	27.57	54 289	1 969	0.83	0.83	23.57	0.07
<b>Series FT5</b>							
<b>June 30, 2021</b>	<b>28.29</b>	<b>443</b>	<b>16</b>	<b>0.77</b>	<b>0.77</b>	<b>48.14</b>	<b>0.04</b>
Dec. 31, 2020	24.36	578	24	0.75	0.75	40.80	0.08
Dec. 31, 2019	26.16	155	6	0.75	0.75	21.64	0.06
Dec. 31, 2018	23.43	115	5	0.77	0.77	34.22	0.09
Dec. 31, 2017 <sup>4</sup>	27.03	20	1	0.74	0.74	40.35	0.10
<b>Series I</b>							
<b>June 30, 2021</b>	<b>30.23</b>	<b>231 161</b>	<b>7 647</b>	<b>0.24</b>	<b>0.24</b>	<b>48.14</b>	<b>0.04</b>
Dec. 31, 2020	25.37	195 654	7 711	0.24	0.24	40.80	0.08
Dec. 31, 2019	27.12	198 915	7 335	0.25	0.25	21.64	0.06
Dec. 31, 2018	23.46	167 855	7 154	0.24	0.24	34.22	0.09
Dec. 31, 2017	27.32	188 503	6 899	0.25	0.25	40.35	0.10
Dec. 31, 2016	27.70	173 538	6 266	0.25	0.25	23.57	0.07
<b>Series O</b>							
<b>June 30, 2021</b>	<b>24.97</b>	<b>354 145</b>	<b>14 184</b>	<b>0.02</b>	<b>0.02</b>	<b>48.14</b>	<b>0.04</b>
Dec. 31, 2020	20.93	348 172	16 631	0.02	0.02	40.80	0.08
Dec. 31, 2019	22.38	330 892	14 786	0.02	0.02	21.64	0.06
Dec. 31, 2018	19.37	288 963	14 920	0.02	0.02	34.22	0.09
Dec. 31, 2017	22.56	303 603	13 458	0.02	0.02	40.35	0.10
Dec. 31, 2016	22.90	284 049	12 403	0.02	0.02	23.57	0.07

<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 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.

<sup>4</sup> From February 27, 2017.

Effective March 1, 2020, the administration fees for Series A units were reduced to 0.10% from 0.12%. 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%.

Effective June 30, 2016, the management fees for Series A and Advisor Series units were reduced to 1.60% from 1.75%; for Series D units were reduced to 0.85% from 1.00%; and for Series F units were reduced to 0.60% from 0.75%. If the changes to the management fees would have been in effect throughout the financial year ended December 31, 2016, the adjusted MER for each series of the Fund would be: Series A – 1.89%, Advisor Series – 1.87%, Series D – 1.05% and Series F – 0.77%.



**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 <sup>†</sup>
		Distribution	Other*	
Series A	1.60%	63%	37%	0.10%
Advisor Series	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 I	0.20%	–	100%	0.02%
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.

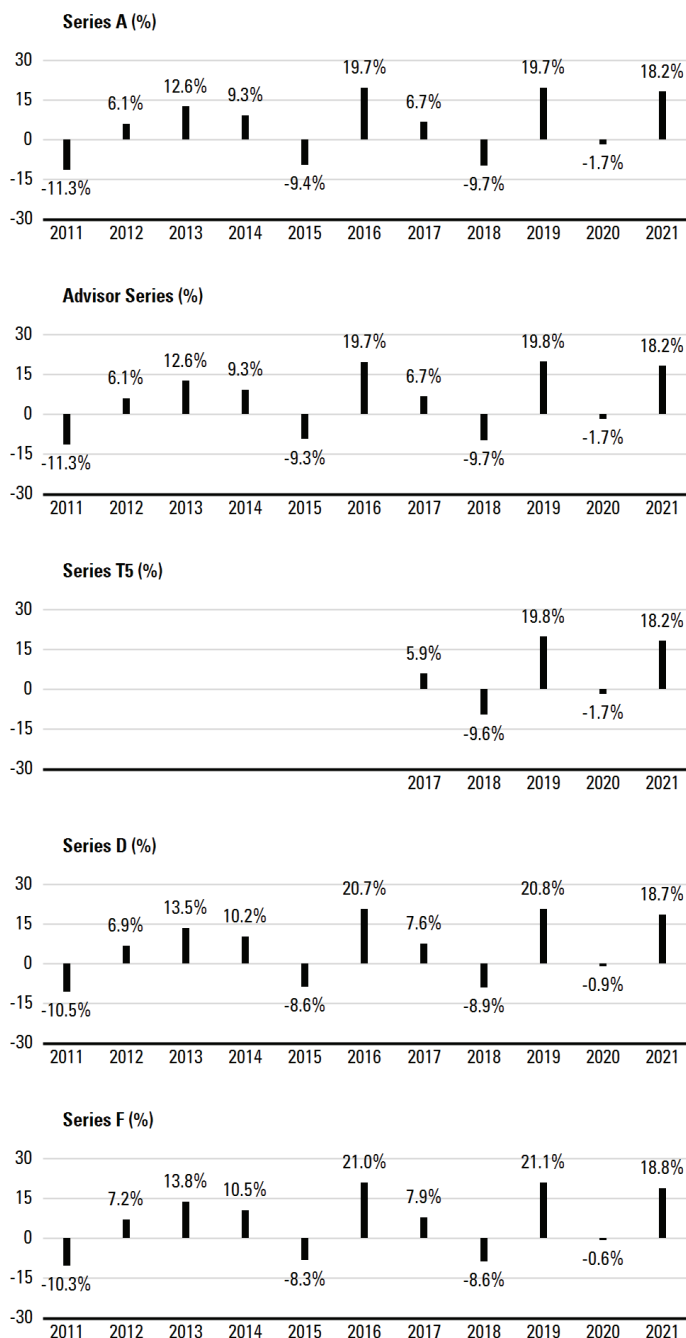
† Effective March 1, 2020, the administration fees for Series A units were reduced to 0.10% from 0.12%.

**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.

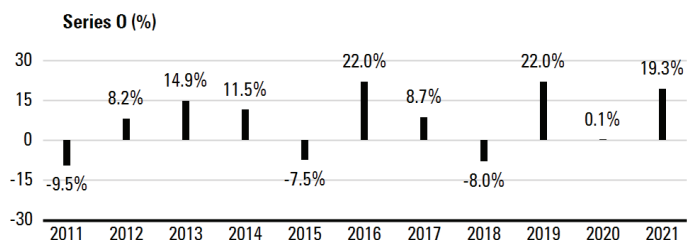
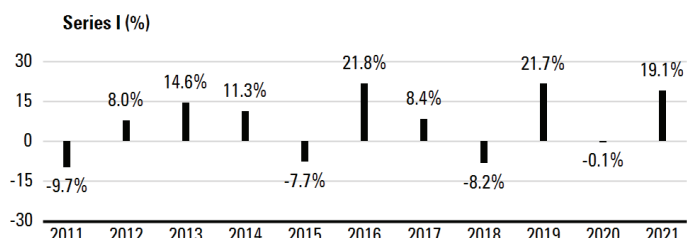
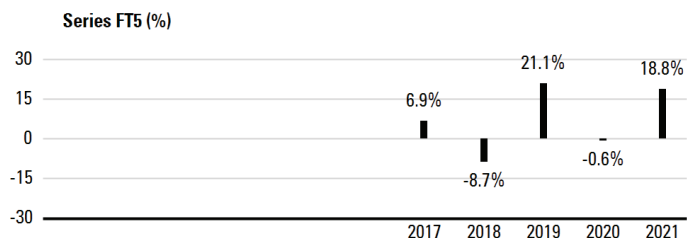
**Year-by-Year Returns (%)**

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 or interim period.





**PAST PERFORMANCE (cont.)**



Series T5 and Series FT5 units have been available for sale to unitholders since February 27, 2017.

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

Advisor Series units were capped effective June 26, 2020. Advisor Series units with initial sales charge and/or low-load sales charge options were re-designated as Series A units effective August 4, 2020.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2021.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at June 30, 2021

**Investment Mix**

	% of Net Asset Value
Financials	28.8
Energy	13.9
Information Technology	9.5
Materials	9.3
Industrials	9.2
Underlying Funds	4.5
Foreign Equities	4.1
Consumer Staples	3.8
Utilities	3.7
Consumer Discretionary	3.7
Real Estate	3.6
Communication Services	3.6
Health Care	0.7
Cash/Other	1.6

**Top 25 Holdings**

	% of Net Asset Value
Royal Bank of Canada	6.6
Shopify Inc., Class A	5.4
RBC Canadian Small & Mid-Cap Resources Fund - Series O	4.5
Toronto-Dominion Bank	4.4
Brookfield Asset Management Inc., Class A	3.2
Bank of Nova Scotia	3.0
Enbridge Inc.	3.0
Canadian Imperial Bank of Commerce	2.6
TC Energy Corp.	2.4
Canadian National Railway Co.	2.3
Suncor Energy Inc.	2.3
Canadian Pacific Railway Ltd.	2.0
Bank of Montreal	2.0
Canadian Natural Resources Ltd.	1.9
Sun Life Financial Inc.	1.8
Nutrien Ltd.	1.7
Cash & Cash Equivalents	1.5
Magna International Inc., Class A	1.3
Manulife Financial Corporation	1.2
Open Text Corp.	1.2
Barrick Gold Corp.	1.2
National Bank of Canada	1.1
CGI Inc.	1.1
TELUS Corp.	1.1
Intact Financial Corp.	1.1
<b>Top 25 Holdings</b>	<b>59.9</b>

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 funds are available on SEDAR website at [www.sedar.com](http://www.sedar.com).