



INTERNATIONAL EQUITY FUND

**PHILLIPS, HAGER & NORTH  
OVERSEAS EQUITY CLASS**

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September 30, 2021

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

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

**A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This 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 a diversified portfolio of common stocks in companies in the world's largest industrialized countries outside North America, including countries in Europe and the Far East, including Japan and Australia.

To achieve its investment objective, the Fund invests most of its assets in the Phillips, Hager & North Overseas Equity Fund (the "underlying fund"). The underlying fund invests in companies that are attractively valued, possess sound fundamentals and have a strong market position.

### Results of Operations

The Fund's net asset value was \$107 million as of September 30, 2021.

Over the past six months, the Fund's Series A shares gained 5.2%. 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.

Global equity markets were more settled during the period than they were amid the significant volatility of early 2021, bolstered by the rapid success of vaccination programs, especially in Europe and North America, and significant U.S. fiscal stimulus. The performance of stocks that are most economically sensitive largely caught up with the larger-cap growth stocks that had dominated the initial stages of the pandemic, as confidence grew in the sustainability of the economic recovery.

The pick-up in economic activity put supply chains under pressure, creating labour and raw-material shortages that caused prices to rise. Although inflation concerns were initially dismissed as temporary, a recognition that they would last longer than initially anticipated led to weakening equity-market momentum at the end of the period. A significant number of announcements from the Chinese government relating to the regulation of technology companies also created a degree of financial-market uncertainty. However, a relative lack of direct exposure to these kinds of companies reduced the overall impact of Chinese investments on the Fund.

The portfolio benefited from positions in Deutsche Post, Misumi and Croda. Stocks that had a negative impact on relative returns included Naspers, Ørsted and Anheuser-Busch InBev.

### Recent Developments

Faster-than-expected inflation is testing the consensus that the end of monetary stimulus will be delayed, creating expectations among some investors that major central banks will be forced to boost interest rates sooner than they would like. The hope for investors is that economic recovery enables corporate cash flows to improve sufficiently to at least offset the impact of potentially higher rates. Otherwise, the odds of financial-market volatility could rise.

The portfolio manager continues to believe that investors' interests will be best served by owning businesses with strong, sustainable earnings and healthy balance sheets. Such businesses are likely to effectively manage profit margins and capture opportunities arising from the changing business environment. The portfolio manager is therefore focused on constructing portfolios that combine the benefits of individual stock selection with efforts to minimize unintended volatility.

Effective September 15, 2021, the Fund was closed to new investors. Investors who held shares of the Fund on September 15, 2021 can continue to make additional investments in the Fund.

Effective April 1, 2021, Ms. Brenda Eaton was appointed as a member of the Independent Review Committee.

### Related-Party Transactions

#### *Manager and Portfolio Manager*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio manager of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund. Both the management fee and fixed administration fee are calculated and accrued daily as a percentage of the net asset value of each series of mutual fund shares of the Fund.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when shareholders switch between series of funds denominated in different currencies. The Fund also maintains bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.



September 30, 2021

***Distributors***

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or may distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' investment in certain series of mutual fund shares of the Fund.

***Registrars***

RBC GAM, RBC Investor Services Trust ("RBC IS") or Royal Bank (or a combination thereof) are the registrars of the Fund and keep records of who owns mutual fund shares of the Fund. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

***Custodian***

RBC IS is the custodian and holds the assets of the Fund. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Fund.

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2021

## 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 September 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 Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2021</b>	<b>25.16</b>	–	<b>(0.27)</b>	–	<b>1.57</b>	<b>1.30</b>	–	–	–	–	–	<b>26.46</b>
Mar. 31, 2021	18.10	0.31	(0.47)	0.45	6.90	7.19	–	–	(0.22)	–	(0.22)	25.16
Mar. 31, 2020	20.30	0.56	(0.43)	0.24	(2.42)	(2.05)	–	–	–	–	–	18.10
Mar. 31, 2019	20.34	0.43	(0.40)	0.24	(0.57)	(0.30)	–	–	–	–	–	20.30
Mar. 31, 2018	16.97	0.41	(0.39)	0.29	3.26	3.57	–	–	–	–	–	20.34
Mar. 31, 2017	16.02	0.46	(0.34)	0.45	0.35	0.92	–	–	–	–	–	16.97
<b>Series D</b>												
<b>Sept. 30, 2021</b>	<b>27.33</b>	–	<b>(0.16)</b>	–	<b>1.69</b>	<b>1.53</b>	–	–	–	–	–	<b>28.87</b>
Mar. 31, 2021	19.48	0.34	(0.28)	0.49	7.41	7.96	–	–	(0.23)	–	(0.23)	27.33
Mar. 31, 2020	21.65	0.60	(0.26)	0.26	(2.91)	(2.31)	–	–	–	–	–	19.48
Mar. 31, 2019	21.50	0.46	(0.24)	0.26	(0.39)	0.09	–	–	–	–	–	21.65
Mar. 31, 2018	17.78	0.43	(0.23)	0.30	3.19	3.69	–	–	–	–	–	21.50
Mar. 31, 2017	16.63	0.48	(0.20)	0.47	0.38	1.13	–	–	–	–	–	17.78
<b>Series F</b>												
<b>Sept. 30, 2021</b>	<b>27.91</b>	–	<b>(0.14)</b>	–	<b>1.70</b>	<b>1.56</b>	–	–	–	–	–	<b>29.52</b>
Mar. 31, 2021	19.85	0.35	(0.23)	0.50	7.83	8.45	–	–	(0.24)	–	(0.24)	27.91
Mar. 31, 2020	22.01	0.61	(0.21)	0.26	(3.00)	(2.34)	–	–	–	–	–	19.85
Mar. 31, 2019	21.82	0.47	(0.20)	0.26	(0.61)	(0.08)	–	–	–	–	–	22.01
Mar. 31, 2018	18.00	0.43	(0.19)	0.30	2.97	3.51	–	–	–	–	–	21.82
Mar. 31, 2017	16.80	0.49	(0.16)	0.47	0.77	1.57	–	–	–	–	–	18.00
<b>Series O</b>												
<b>Sept. 30, 2021</b>	<b>30.44</b>	–	–	–	<b>1.85</b>	<b>1.85</b>	–	–	–	–	–	<b>32.34</b>
Mar. 31, 2021	21.46	0.38	(0.01)	0.54	8.46	9.37	–	–	(0.26)	–	(0.26)	30.44
Mar. 31, 2020	23.58	0.65	(0.01)	0.28	(4.37)	(3.45)	–	–	–	–	–	21.46
Mar. 31, 2019	23.16	0.50	(0.01)	0.28	(0.10)	0.67	–	–	–	–	–	23.58
Mar. 31, 2018	18.95	0.46	(0.01)	0.32	3.56	4.33	–	–	–	–	–	23.16
Mar. 31, 2017	17.52	0.51	(0.01)	0.50	0.62	1.62	–	–	–	–	–	18.95

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

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



September 30, 2021

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2021</b>	<b>26.46</b>	<b>8 677</b>	<b>328</b>	<b>2.07</b>	<b>2.07</b>	<b>2.68</b>	<b>0.05</b>
Mar. 31, 2021	25.16	8 121	323	2.07	2.07	6.28	0.09
Mar. 31, 2020	18.10	5 494	304	2.08	2.08	5.58	0.04
Mar. 31, 2019	20.30	7 065	348	2.08	2.08	6.71	0.10
Mar. 31, 2018	20.34	9 056	445	2.11	2.11	6.39	0.21
Mar. 31, 2017	16.97	10 403	613	2.16	2.17	12.03	0.19
<b>Series D</b>							
<b>Sept. 30, 2021</b>	<b>28.87</b>	<b>40 340</b>	<b>1 397</b>	<b>1.16</b>	<b>1.16</b>	<b>2.68</b>	<b>0.05</b>
Mar. 31, 2021	27.33	37 242	1 363	1.16	1.16	6.28	0.09
Mar. 31, 2020	19.48	24 560	1 262	1.17	1.17	5.58	0.04
Mar. 31, 2019	21.65	26 038	1 203	1.18	1.18	6.71	0.10
Mar. 31, 2018	21.50	27 241	1 267	1.21	1.21	6.39	0.21
Mar. 31, 2017	17.78	22 122	1 244	1.25	1.26	12.03	0.19
<b>Series F</b>							
<b>Sept. 30, 2021</b>	<b>29.52</b>	<b>21 707</b>	<b>735</b>	<b>0.94</b>	<b>0.94</b>	<b>2.68</b>	<b>0.05</b>
Mar. 31, 2021	27.91	18 978	680	0.94	0.94	6.28	0.09
Mar. 31, 2020	19.85	15 141	763	0.95	0.95	5.58	0.04
Mar. 31, 2019	22.01	14 613	664	0.96	0.96	6.71	0.10
Mar. 31, 2018	21.82	12 390	568	0.99	0.99	6.39	0.21
Mar. 31, 2017	18.00	5 554	309	1.02	1.03	12.03	0.19
<b>Series O</b>							
<b>Sept. 30, 2021</b>	<b>32.34</b>	<b>35 893</b>	<b>1 110</b>	<b>0.05</b>	<b>0.05</b>	<b>2.68</b>	<b>0.05</b>
Mar. 31, 2021	30.44	31 338	1 029	0.05	0.05	6.28	0.09
Mar. 31, 2020	21.46	21 443	1 000	0.06	0.06	5.58	0.04
Mar. 31, 2019	23.58	18 536	786	0.06	0.06	6.71	0.10
Mar. 31, 2018	23.16	14 303	617	0.11	0.11	6.39	0.21
Mar. 31, 2017	18.95	13 519	713	0.12	0.13	12.03	0.19

<sup>1</sup> The management expense ratio ("MER") is based on the direct expenses charged to the Fund and the Fund's proportionate share of the expenses of underlying funds, if any, for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

Effective June 30, 2016, the management fees for Series A mutual fund shares were reduced to 1.75% from 1.85%; for Series D mutual fund shares were reduced to 1.00% from 1.10%; and for Series F mutual fund shares were reduced to 0.75% from 0.85%. If the changes to the management fees would have been in effect throughout the financial year ended March 31, 2017, the adjusted MER for each series of the Fund would be: Series A – 2.14%, Series D – 1.24% and Series F – 1.02%.



**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees and Administration Fees**

Management fees and administration fees of each series of the Fund are payable to RBC GAM and calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The management fee, breakdown of services received in consideration of the management fee, as a percentage of the management fee, and the administration fee for each series are as follows:

	Management Fees	Breakdown of Services		Administration Fees
		Distribution	Other*	
Series A	1.75%	54%	46%	0.07%
Series D	1.00%	23%	77%	0.07%
Series F	0.75%	—	100%	0.07%
Series O	n/a	n/a	n/a	0.02%

Series O – no management fees are paid by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

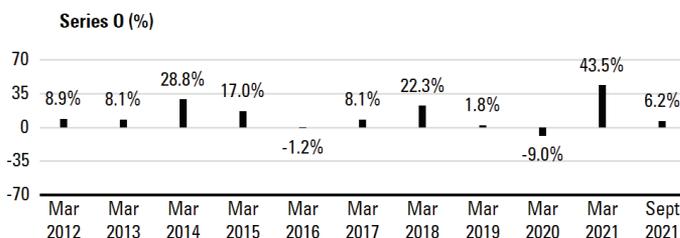
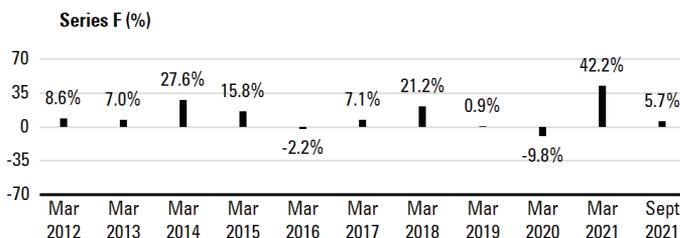
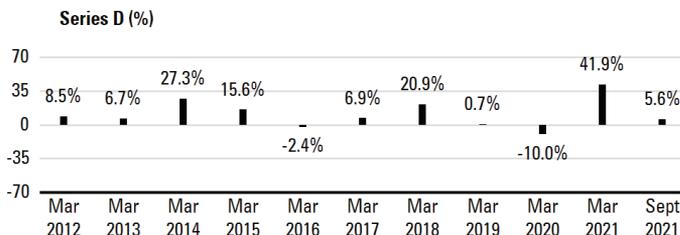
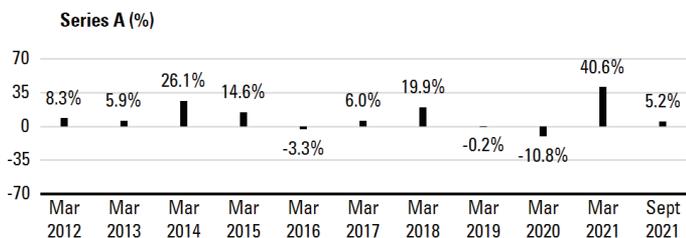
\* Includes all costs related to management, investment advisory services, general administration and profit.

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional shares of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

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

The bar chart indicates the Fund’s performance for each of the years shown, and illustrates how the Fund’s performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.



Series A, Series D, Series F and Series O mutual fund shares have been available for sale to shareholders since January 1, 2012.

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

The Fund was closed to new investors effective September 15, 2021.

Advisor Series mutual fund shares were capped effective June 26, 2020, and re-designated as Series A mutual fund shares effective August 4, 2020. All outstanding Series H mutual fund shares were re-designated as Series A mutual fund shares and all outstanding Series I mutual fund shares were re-designated as Series F mutual fund shares effective June 30, 2016.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2021.



September 30, 2021

## SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at September 30, 2021

### Investment Mix – Sectors

	% of Net Asset Value
Financials	22.4
Industrials	17.7
Consumer Discretionary	15.7
Health Care	10.8
Consumer Staples	9.2
Materials	8.1
Information Technology	6.0
Energy	5.1
Utilities	3.5
Cash/Other	1.5

### Investment Mix – Countries/Regions

	% of Net Asset Value
Europe ex-United Kingdom Equities	50.9
United Kingdom Equities	15.4
Japan Equities	14.8
Pacific Rim ex-Japan Equities	13.6
India Equities	1.7
United States Equities	1.3
Middle East and Africa Equities	0.8
Cash/Other	1.5

### Top 25 Holdings\*

	% of Net Asset Value
Deutsche Post AG	6.6
Roche Holdings AG Genussscheine	6.5
Inditex S.A.	5.9
AIA Group Ltd.	5.4
Nidec Corp.	4.4
Anheuser-Busch InBev S.A./N.V.	4.3
Kerry Group Plc.	3.6
Orsted A/S	3.5
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	3.5
InterContinental Hotels Group Plc.	3.5
St James's Place Plc.	3.4
DBS Group Holdings Ltd.	3.1
Astellas Pharma Inc.	2.9
Croda International Plc.	2.9
Erste Bank Der Oesterreichischen Sparkassen AG	2.8
Partners Group Holding AG	2.7
Oriental Land Co. Ltd.	2.7
Neste OYJ	2.6
Equinor ASA	2.6
Adyen N.V.	2.5
MISUMI Group Inc.	2.4
Recruit Holdings Co. Ltd.	2.4
Legal & General Group Plc.	2.0
Wolters Kluwer N.V.	2.0
Rio Tinto Plc.	1.9
<b>Top 25 Holdings</b>	<b>86.1</b>

\* The Fund invests substantially all of its assets directly in the Phillips, Hager & North Overseas Equity Fund. The above are the Top 25 holdings of the Phillips, Hager & North Overseas Equity Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/en/ca](http://www.rbcgam.com/en/ca).

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