



U.S. EQUITY FUND

**PHILLIPS, HAGER & NORTH
U.S. EQUITY FUND**

June 30, 2023

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, 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 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 1-800-661-6141, by writing to us at RBC Global Asset Management Inc., Phillips, Hager & North Investment Management, Investment Funds Centre, 20th Floor, 200 Burrard Street, Vancouver, B.C., V6C 3N5, 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.

Phillips, Hager & North Investment Management is a division of RBC Global Asset Management Inc., the manager of the Fund and an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank").



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide investors with long-term capital growth by investing primarily in shares of large-capitalization, high-quality U.S. companies. To achieve the Fund's investment objective, the portfolio manager invests in quality businesses that have a sustainable competitive advantage, a history of profitability, a solid financial position, opportunities for growth, and a capable management team. The portfolio manager places particular emphasis on a company's long-term return on equity, as this measure is a key indicator of a company's ability to consistently generate profits for shareholders. Additional emphasis is placed on a stock's valuation, given the breadth of the U.S. market.

Results of Operations

The Fund's net asset value was \$1.5 billion as of June 30, 2023.

Over the past six months, the Fund's Series F units gained 13.7%. The Fund's return is after the deduction of 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.

U.S. stocks rebounded during the first half of 2023, propelled by the emergence of artificial intelligence ("AI") as an investment theme and the exceptional performance of companies that investors think will benefit most from the expanded use of AI. The performance of AI-related stocks more than offset the impact of the failures of three mid-sized U.S. banks, stubbornly high inflation and the continuation of the U.S. Federal Reserve's most aggressive rate-hiking cycle since the early 1980s.

The Fund's relative exposure to Meta Platforms, Broadcom and Pfizer had the most positive impact on the Fund's returns, while exposure to Nvidia, Tesla and iShares Biotechnology ETF was negative for performance.

The sectors that had the most positive impact on the Fund's returns were Health Care, Communication Services and Industrials, while exposure to Consumer Discretionary and Information Technology had a negative impact.

The Fund had overweight positions in ExxonMobil, iShares Biotechnology ETF and Eli Lilly and underweight positions in Abbott Laboratories, Tesla and McDonald's.

At the sector level, the Fund had overweight exposure to Information Technology, Financials and Communication Services and underweight exposure to Consumer Discretionary, Industrials and Health Care.

Recent Developments

The economy has been resilient so far this year, but monetary tightening is starting to have an impact. Higher interest rates have increased the cost of borrowing, diminished risk appetite and emerged as the root cause of stress in the banking industry.

The global economy is slowing as higher borrowing costs and tighter financial conditions weigh on activity. At this late stage in the business cycle, stocks could be vulnerable to correction should a recession materialize. That said, the portfolio manager expects such a recession to be mild to middling in depth and fairly short in length.

Effective January 1, 2023, Suromitra Sanatani was appointed as Chair of the Independent Review Committee ("the IRC"). Effective February 1, 2023, Joanne Vézina was appointed as a member of the IRC. Effective March 1, 2023, Enrique Cuyegkeng was appointed as a member of the IRC.

Related-Party Transactions

Manager and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and principal 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 units 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 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.

Trustee and Custodian

RBC IS is the trustee and holds title to the Fund's property on behalf of unitholders. RBC IS is the custodian of the Fund and holds the assets of the Fund.

RBC IS earns a fee as the trustee and 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, 2023 and 2022, the related-party commissions were \$14,000 (2022 – \$14,000), or 4% (2022 – 6%) 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, 2023), 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 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												
June 30, 2023	102.94	0.79	(1.02)	3.06	10.70	13.53	—	—	—	—	—	116.41
Dec. 31, 2022	117.19	1.34	(1.97)	1.84	(14.82)	(13.61)	—	—	—	—	—	102.94
Dec. 31, 2021	95.45	1.18	(1.98)	8.79	13.73	21.72	—	—	—	—	—	117.19
Dec. 31, 2020	82.35	1.39	(1.63)	3.00	10.61	13.37	—	—	—	—	—	95.45
Dec. 31, 2019	68.17	1.26	(1.43)	6.10	8.39	14.32	—	—	—	—	—	82.35
Dec. 31, 2018	66.55	1.13	(1.32)	5.06	(3.12)	1.75	—	—	—	—	—	68.17
Series D												
June 30, 2023	105.80	0.82	(0.57)	3.17	10.90	14.32	—	—	—	—	—	120.13
Dec. 31, 2022	119.72	1.38	(1.10)	1.89	(16.25)	(14.08)	(0.01)	(0.28)	—	—	(0.29)	105.80
Dec. 31, 2021	96.69	1.20	(1.10)	8.95	13.97	23.02	—	—	—	—	—	119.72
Dec. 31, 2020	82.97	1.42	(0.89)	3.06	10.11	13.70	(0.01)	(0.30)	—	—	(0.31)	96.69
Dec. 31, 2019	68.51	1.28	(0.79)	6.14	8.39	15.02	(0.01)	(0.43)	—	—	(0.44)	82.97
Dec. 31, 2018	66.69	1.13	(0.73)	5.09	(3.14)	2.35	(0.01)	(0.37)	—	—	(0.38)	68.51
Series F												
June 30, 2023	106.38	0.83	(0.43)	3.20	10.95	14.55	—	—	—	—	—	120.96
Dec. 31, 2022	120.39	1.39	(0.74)	1.91	(14.74)	(12.18)	(0.01)	(0.57)	—	—	(0.58)	106.38
Dec. 31, 2021	97.11	1.20	(0.82)	8.96	14.47	23.81	(0.01)	(0.17)	—	—	(0.18)	120.39
Dec. 31, 2020	83.33	1.41	(0.67)	3.06	13.18	16.98	(0.01)	(0.55)	—	—	(0.56)	97.11
Dec. 31, 2019	68.80	1.29	(0.59)	6.20	7.46	14.36	(0.01)	(0.65)	—	—	(0.66)	83.33
Dec. 31, 2018	66.97	1.14	(0.55)	5.12	(3.43)	2.28	(0.01)	(0.55)	—	—	(0.56)	68.80
Series O												
June 30, 2023	107.48	0.84	(0.01)	3.23	11.09	15.15	—	—	—	—	—	122.65
Dec. 31, 2022	121.64	1.41	(0.02)	1.93	(16.33)	(13.01)	(0.03)	(1.36)	—	—	(1.39)	107.48
Dec. 31, 2021	98.11	1.21	(0.02)	9.04	14.74	24.97	(0.04)	(1.02)	—	—	(1.06)	121.64
Dec. 31, 2020	84.19	1.44	(0.02)	3.11	11.47	16.00	(0.03)	(1.26)	—	—	(1.29)	98.11
Dec. 31, 2019	69.53	1.30	(0.02)	6.25	8.96	16.49	(0.02)	(1.30)	—	—	(1.32)	84.19
Dec. 31, 2018	67.69	1.16	(0.02)	5.18	(3.22)	3.10	(0.02)	(1.06)	—	—	(1.08)	69.53

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							
June 30, 2023	116.41	10 671	92	1.89	1.89	68.92	0.04
Dec. 31, 2022	102.94	9 122	89	1.89	1.89	59.04	0.03
Dec. 31, 2021	117.19	9 231	79	1.88	1.88	61.97	0.04
Dec. 31, 2020	95.45	7 098	74	1.88	1.88	76.05	0.05
Dec. 31, 2019	82.35	4 103	50	1.87	1.87	67.39	0.06
Dec. 31, 2018	68.17	3 896	57	1.87	1.87	62.98	0.04
Series D							
June 30, 2023	120.13	179 196	1 492	1.03	1.03	68.92	0.04
Dec. 31, 2022	105.80	163 145	1 542	1.03	1.03	59.04	0.03
Dec. 31, 2021	119.72	204 783	1 710	1.03	1.03	61.97	0.04
Dec. 31, 2020	96.69	164 530	1 702	1.03	1.03	76.05	0.05
Dec. 31, 2019	82.97	151 079	1 821	1.02	1.02	67.39	0.06
Dec. 31, 2018	68.51	137 623	2 009	1.02	1.02	62.98	0.04
Series F							
June 30, 2023	120.96	41 691	345	0.77	0.77	68.92	0.04
Dec. 31, 2022	106.38	37 905	356	0.76	0.76	59.04	0.03
Dec. 31, 2021	120.39	25 422	211	0.76	0.76	61.97	0.04
Dec. 31, 2020	97.11	17 440	180	0.76	0.76	76.05	0.05
Dec. 31, 2019	83.33	8 492	102	0.76	0.76	67.39	0.06
Dec. 31, 2018	68.80	5 654	82	0.76	0.76	62.98	0.04
Series O							
June 30, 2023	122.65	1 282 902	10 460	0.03	0.03	68.92	0.04
Dec. 31, 2022	107.48	1 199 697	11 162	0.03	0.03	59.04	0.03
Dec. 31, 2021	121.64	1 340 030	11 016	0.03	0.03	61.97	0.04
Dec. 31, 2020	98.11	733 091	7 472	0.02	0.02	76.05	0.05
Dec. 31, 2019	84.19	488 796	5 806	0.02	0.02	67.39	0.06
Dec. 31, 2018	69.53	448 049	6 444	0.02	0.02	62.98	0.04

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 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	1.60%	63%	37%	0.10%
Series D	0.85%	29%	71%	0.10%
Series F	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, investment advisory services, general administration and profit.

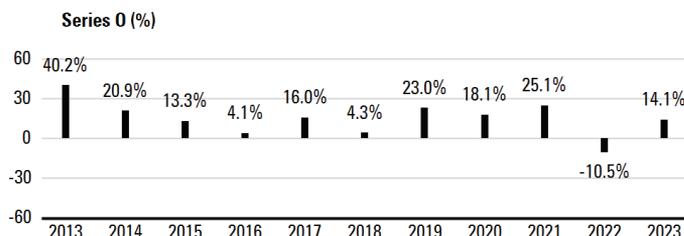
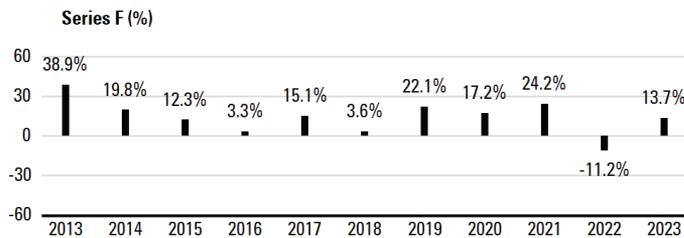
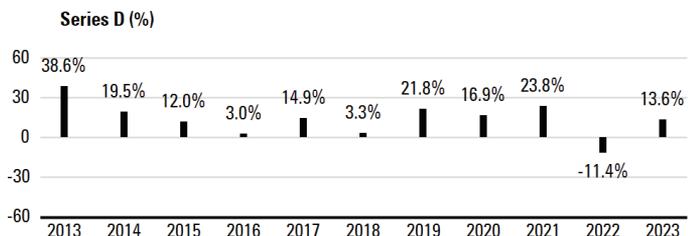
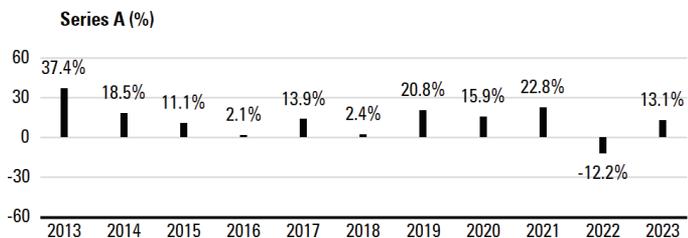


PAST PERFORMANCE

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 or interim period.



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

Advisor Series units 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, 2023.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2023

Investment Mix

	% of Net Asset Value
Information Technology	27.8
Financials	13.4
Health Care	11.7
Communication Services	8.6
Industrials	8.5
Consumer Discretionary	8.0
Consumer Staples	6.2
Energy	4.9
Underlying Funds	2.7
Materials	2.3
Utilities	1.9
Real Estate	1.8
Cash/Other	2.2

Top 25 Holdings

	% of Net Asset Value
Apple Inc.	7.8
Microsoft Corp.	7.4
Alphabet Inc. - Class C	4.3
NVIDIA Corp.	3.3
Amazon.com Inc.	3.2
Berkshire Hathaway Inc. - Class B	2.3
Eli Lilly & Co.	2.3
Cash & Cash Equivalents	2.2
iShares Core S&P 500 ETF	2.0
Exxon Mobil Corp.	1.9
J.P. Morgan Chase & Co.	1.7
Meta Platforms Inc. - Class A	1.4
Visa Inc. - Class A	1.4
Broadcom Inc.	1.3
Thermo Fisher Scientific Inc.	1.2
Chevron Corp.	1.2
Eaton Corp. Plc.	1.0
UnitedHealth Group Inc.	1.0
Procter & Gamble Co.	1.0
Danaher Corp.	1.0
Costco Wholesale Corp.	0.9
Intuitive Surgical Inc.	0.9
Adobe Inc.	0.9
Johnson & Johnson	0.9
Mastercard Inc. - Class A	0.9
Top 25 Holdings	53.4

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.