



RBC Balanced Fund

Investment Objective

To provide a combination of capital growth and modest income by investing primarily in a balance of Canadian equities, bonds and short-term debt securities.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF272
Adv	Deferred Sales	CAD	RBF838
Adv	Front End	CAD	RBF738
Adv	Low Load	CAD	RBF123
T5	No Load	CAD	RBF536
T8	No Load	CAD	RBF596

Inception Date	December 1987
Total Fund Assets \$Mil	5,638.8
Series A NAV \$	14.24
Series A MER %	2.16
Benchmark	45% FTSE TMX Canada Universe Bond Index 35% S&P/TSX Capped Composite Total Return Index 10% S&P 500 Total Return Index (CAD) 7% MSCI EAFE Total Return Net Index (CAD) 3% MSCI Emerging Markets Total Return Net Index (CAD)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

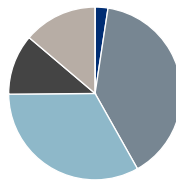
Fund Category	Canadian Neutral Balanced
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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Portfolio Analysis as of January 31, 2018

Asset Mix

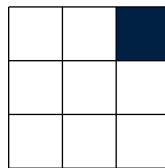


	% Assets
Cash	2.4
Fixed Income	39.4
Canadian Equity	33.0
US Equity	11.3
International Equity	13.8
Other	0.0

Top 10 Holdings

	% Assets
RBC Emerging Markets Equity Fund	4.0
Royal Bank of Canada	2.5
The Toronto-Dominion Bank	2.2
Bank of Nova Scotia	1.7
RBC Canadian Small & Mid-Cap Res Fund	1.4
Suncor Energy Inc	1.3
Canada Govt 0.75% 01-09-2021	1.3
Ontario Prov Cda 4.6% 02-06-2039	1.1
Bank of Montreal	1.1
Ontario Prov Cda 2.85% 02-06-2023	1.1
Total % of Top 10 Holdings	17.8
Total Number of Portfolio Holdings	589
Total Number of Stock Holdings	2,699
Total Number of Bond Holdings	317
Total Number of Other Holdings	25
Total Number of Underlying Holdings	3,041

Equity Style



Value Blend Growth

Statistics

P/B Ratio	2.0
P/E Ratio	17.1
Avg. Mkt Cap. \$B	42.6

Top 5 Sectors

	% Equity
Financials	29.8
Energy	13.2
Information Technology	11.1
Industrials	9.8
Consumer Discretionary	9.2

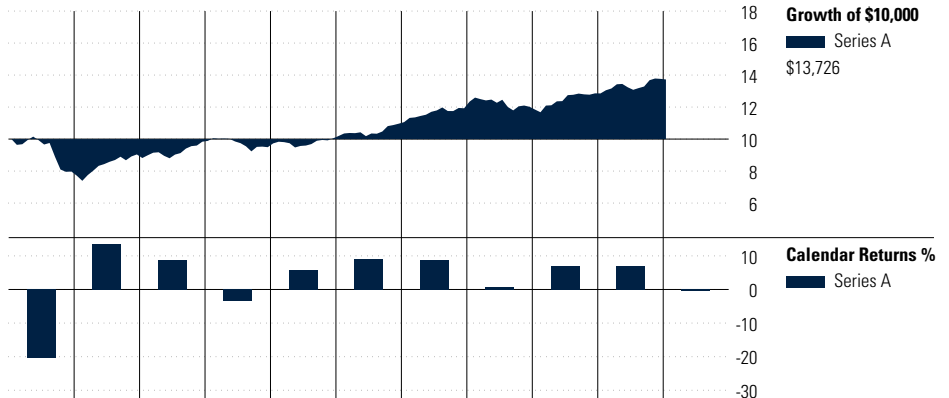
Fixed Income Breakdown

	%
Govt. Bonds	72.8
Corp. Bonds	25.0
Other Bonds	0.0
MBS	0.0
Cash & Other	2.2
ABS	0.0

Characteristics

	%
Avg. Term to maturity (Yrs)	10.7
Modified Duration (Yrs)	7.8
Yield to Maturity	2.7

Performance Analysis as of January 31, 2018



Year	Calendar Returns %	Fund Quartile
2008	-20.3 4 th	
2009	13.4 4 th	
2010	8.8 3 rd	
2011	-3.5 4 th	
2012	5.8 3 rd	
2013	9.1 3 rd	
2014	8.8 2 nd	
2015	0.8 2 nd	
2016	7.0 3 rd	
2017	7.0 2 nd	
YTD	-0.3 3 rd	

Period	Trailing Return %	Fund Quartile	No. of Funds in Category
1 Mth	-0.3		631
3 Mth	0.3	3 rd	629
6 Mth	4.9	2 nd	624
1 Yr	6.8	2 nd	614
3 Yr	3.6	3 rd	477
5 Yr	6.1	2 nd	378
10 Yr	3.7	4 th	156
Since Incep.	6.5	—	—



RBC Balanced Fund

Management Overview

Manager Bios

Stuart Kedwell

RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1997.

Dagmara Fijalkowski

RBC Global Asset Management Inc.

As Head of Global Fixed Income and Currencies, Dagmara leads investment teams in Toronto, London and Minneapolis in charge of almost \$100 billion in fixed income assets. She heads management of several bond funds and manages foreign-exchange hedging and active currency overlay programs across a number of funds. Dagmara, who began her investment career in 1994, holds an MBA from the Richard Ivey School of Business, a Master's degree in economics from the University of Lodz in Poland and is a CFA charterholder.

Performance Analysis Cont'd as of January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.56	0.23	0.39	0.57	0.54	0.17	0.08	—	—	—
Interest	—	—	—	0.00	—	—	—	—	—	—	—
Dividends	—	0.03	0.11	0.12	0.06	0.02	0.05	—	—	—	—
Capital Gains	—	0.52	0.12	0.27	0.50	0.52	0.12	0.08	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1994	26.4	3-2006	15.7	8-2000	12.2	9-2005	7.5
Worst	2-2009	-23.3	2-2009	-5.8	5-2012	-1.0	8-2010	2.3
Average		6.1		6.0		5.6		5.0
No. of Periods		289		265		241		181
Pct. Positive		75.8		84.5		95.4		100.0

* Distributions are characterized into income type at year-end.

Quarterly Commentary as at December 31, 2017

The global economy is running at the fastest clip in seven years supported by an increasingly broad-based expansion, favourable financial conditions and optimism among businesses and consumers. As a result, we nudged our global growth forecasts higher for 2018 and expect firming inflation. Our forecasts for growth and inflation are slightly above consensus.

The Fund's overweight position in equities and underweight position in fixed income had a positive impact on performance. Bonds issued by national governments posted modest returns in the fourth quarter of 2017 as inflation remained subdued and several major central banks extended bond-buying programs designed to hold down longer-term yields. Longer-maturity bonds outperformed short-dated securities on expectations that central banks will push up benchmark interest rates. Returns in the fixed-income segment were boosted by exposure to investment-grade debt, offset somewhat by investments in high-yield securities.

Global equities gained in all major regions,

benefiting from the synchronized expansion and renewed profit growth. Japanese stocks outperformed on fiscal stimulus and pro-growth reforms, while the U.S. rallied on corporate-tax cuts. Europe and Canada gained too, but underperformed given their lower exposure to technology. The portfolio benefited from exposure to equities in the developed markets of Europe and Asia, as well as emerging-market stocks. Security selection in Canadian equities had a negative impact.

We expect bond yields to move higher at a gradual pace, supported by the improving economy and monetary tightening. Meanwhile, earnings have been coming through and analysts are optimistic that the trend can persist. U.S. corporate-tax cuts could provide an additional boost to profits. Against this backdrop, equities continue to offer superior total-return potential compared to fixed income and we have maintained our moderate overweight in stocks and underweight in bonds as a result.



RBC Balanced Fund

Disclosure

RBC Funds, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or Fund Facts document before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or covered by the Canadian Deposit Insurance Corporation or by any other government deposit insurer. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. The value of mutual funds change frequently and past performance may not be repeated.

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the half-year period, January 1 to June 30, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

Series H and Series I are not available for purchase by new investors. Existing investors who hold Series H or Series I units can continue to make additional investments into the same series of the funds they hold.

Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on investment of any fund.

The fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in the fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in the fund profile without seeking the advice of an appropriate professional advisor.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm, based on categories maintained by the Canadian Investment Funds Standards Committee (CIFSC). Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A and F units of the Fund as of January 31, 2018.

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