



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	5,078.3
Series A NAV \$	13.69
Series A MER %	2.15
Benchmark	40% FTSE Canada All Gov't 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) 5% FTSE Canada All Corp Bond Index 3% MSCI EM Total Return Net Index (CAD)

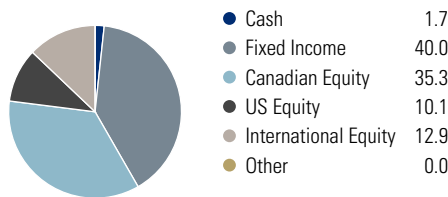
Income Distribution	Quarterly
Capital Gains Distribution	Annually
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Neutral Balanced
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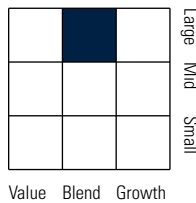
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of January 31, 2019

Asset Mix



Equity Style



Statistics

P/B Ratio	1.8
P/E Ratio	14.5
Avg. Mkt Cap. \$B	39.4

Top 5 Sectors

Sector	% Equity
Financials	29.5
Energy	13.4
Industrials	10.4
Materials	8.0
Information Technology	7.6

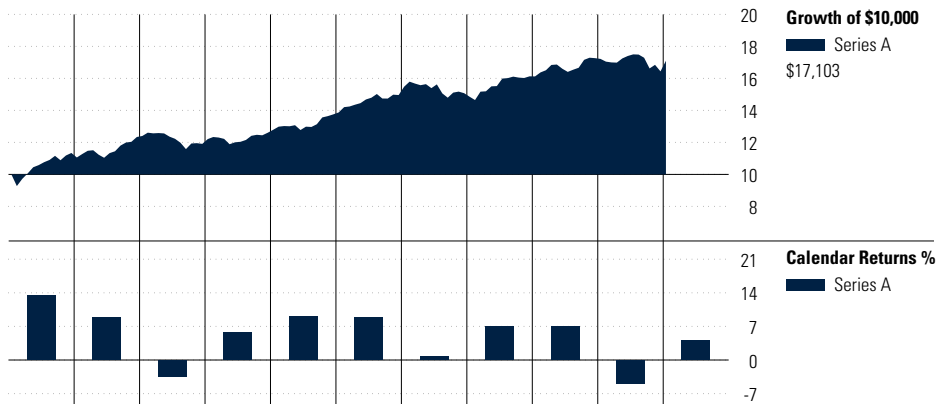
Fixed Income Breakdown

Category	%
Govt. Bonds	72.6
Corp. Bonds	23.7
Other Bonds	0.0
MBS	0.0
Cash & Other	3.7
ABS	0.0

Characteristics

Characteristic	%
Avg. Term to maturity (Yrs)	10.8
Modified Duration (Yrs)	7.8
Yield to Maturity	2.7

Performance Analysis as of January 31, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Fund Quartile
Return %	13.4	8.8	-3.5	5.8	9.1	8.8	0.8	7.0	7.0	-4.8	4.0	4th
Rank	4th	3rd	4th	3rd	3rd	2nd	2nd	3rd	2nd	3rd	2nd	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return %	4.0	2.9	-2.3	-0.7	4.8	4.3	5.9	6.2	Fund
Rank	2nd	1st	3rd	3rd	2nd	2nd	4th	—	Quartile
No. of Funds in Category	701	699	685	671	565	446	161	—	



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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, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.44	0.56	0.23	0.39	0.57	0.54	0.17	0.08	—	—
Interest	—	0.00	—	—	0.00	—	—	—	—	—	—
Dividends	—	0.06	0.03	0.11	0.12	0.06	0.02	0.05	—	—	—
Capital Gains	—	0.39	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	7-1997	25.4	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		5.8		5.7		5.4		4.9
No. of Periods		289		265		241		181
Pct. Positive		75.1		84.5		95.4		100.0

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

Quarterly Commentary as at December 31, 2018

Economic growth decelerated as 2018 came to a close, leading to declines in stocks and corporate bonds in the fourth quarter. Other issues clouding the outlook for investors included the U.S.-China trade conflict, discussions on the terms of the U.K.'s exit from the European Union and tightening financial conditions.

The Fund's overweight position in equities and underweight position in fixed income had a negative impact on performance. The U.S. Federal Reserve (Fed) raised its benchmark interest rate in December, the fourth increase in 2018. However, government-bond yields declined on concern about the outlook for growth. Japanese and European bonds performed best, followed by Canadian and U.S. fixed income. The Fund's returns were negatively affected by underweight exposure to federal debt, which outperformed.

Equities in developed markets in Europe and Asia, as well as in emerging markets, continued to decline in the fourth quarter. U.S. stocks, resilient

for most of 2018, experienced fourth-quarter declines that were among the steepest in global markets and wiped out gains achieved during the first three quarters of the year. Returns were held back by security selection in the developed markets of Europe and Asia, mostly offset by the positive impact of security selection in emerging markets.

We expect the trend of slowing global growth to continue into 2019. That said, further gradual tightening of monetary policy is expected, and rising rates could limit bond returns. The portfolio manager remains underweight fixed income, but used last year's rise in yields to increase the bond allocation as bonds can provide a cushion in an economic downturn. While we expect equity-market volatility to continue, stocks still offer superior return potential versus bonds, as long as earnings continue to grow as analysts expect. The Fund remains overweight equities, but exposure remains well below the peak earlier in the cycle.



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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 preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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, 2019.

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