RBC Vision Balanced Fund

**Investment Objective**
To provide long-term capital growth and income by investing primarily in Canadian, U.S. and international equities and fixed-income securities, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate of RBC GAM. The Fund follows a socially responsible approach to investing.

**Fund Details**
Series | Load Structure | Currency | Fund Code  
--- | --- | --- | ---  
A | No Load | CAD | RBF303  
Adv | Deferred Sales | CAD | RBF867  
Adv | Front End | CAD | RBF783  
Adv | Low Load | CAD | RBF205  

Inception Date: July 2007  
Total Fund Assets $Mil: 256.2  
Series A NAV $: 12.21  
Series A MER %: 2.06  
Benchmark: 45% FTSE CUB, 20% S&P/TSX Capped Composite Total Return, 20% S&P 500 Total Return (C$), 15% MSCI EAFE Total Return Net (C$)

**Income Distribution**  
Annually  
**Capital Gains Distribution**  
Annually  
**Sales Status**  
Open  
**Min. Investment $**  
500  
**Subsequent Investment $**  
25  
**Fund Category**  
Global Equity Balanced  
**Management Company**  
RBC Global Asset Management Inc.  
**Web Site**  
www.rbcgam.com

**Notes**  
This is a continuing fund resulting from a merger together with a change in investment objective and fund name effective June 30, 2017.

**Portfolio Analysis as of May 31, 2019**

**Asset Mix**
- Cash: 4.5%
- Fixed Income: 39.4%
- Canadian Equity: 18.5%
- US Equity: 21.6%
- International Equity: 15.9%
- Other: 0.0%

**Equity Style**
- Value: 45.8%
- Blend: 23.2%
- Growth: 31.0%

**Statistics**
- P/B Ratio: 2.7
- P/E Ratio: 18.0
- Average Mkt Cap. $B: 55.6

**Top 5 Sectors**
- Financials: 26.2%
- Industrials: 14.0%
- Health Care: 10.4%
- Consumer Discretionary: 10.4%
- Information Technology: 9.3%

**Fixed Income Breakdown**
- Govt. Bonds: 62.3%
- Corp. Bonds: 34.5%
- Other Bonds: 0.0%
- MBS: 0.0%
- Cash & Other: 3.2%
- ABS: 0.0%

**Top 10 Holdings**
- US Treasury Notes 1.5% 31-01-2022: 1.9%
- Danaher Corp: 1.9%
- US Treasury Notes 1.62% 31-07-2020: 1.8%
- Roche Holding AG Dividend Right Cert.: 1.8%
- TJX Companies Inc: 1.7%
- UnitedHealth Group Inc: 1.7%
- Alphabet Inc A: 1.7%
- Italy (Republic Of) 1.45% 15-09-2022: 1.6%
- Fortive Corp: 1.6%
- Unilever NV DR: 1.6%

**Total Number of Holdings**  
430

**Performance Analysis as of May 31, 2019**

**Growth of $10,000**
- Series A $19,055

**Calendar Returns %**
- Series A
- 2009: 7.9%  
- 2010: 6.7%  
- 2011: -1.8%  
- 2012: 6.9%  
- 2013: 15.5%  
- 2014: 9.6%  
- 2015: 4.6%  
- 2016: 3.3%  
- 2017: 7.6%  
- 2018: -1.5%  
- YTD: 8.5%

**Trailing Return %**
- Since Incep: 3.7%
- Fund: 3.7%
- Quartile: —

**No. of Funds in Category**
- 2
RBC Vision Balanced Fund

Management Overview

Manager Bios

Sarah Riopelle
RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm’s Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charter holder.

Performance Analysis Cont’d as of May 31, 2019

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<tbody>
<tr>
<td>Total Distributions</td>
<td>—</td>
<td>0.28</td>
<td>0.73</td>
<td>0.01</td>
<td>0.49</td>
<td>0.93</td>
<td>0.11</td>
<td>0.00</td>
<td>—</td>
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<td>Interest</td>
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<tr>
<td>Dividends</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.01</td>
<td>0.02</td>
<td>—</td>
<td>0.01</td>
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<tr>
<td>Capital Gains</td>
<td>—</td>
<td>0.28</td>
<td>0.73</td>
<td>—</td>
<td>0.47</td>
<td>0.93</td>
<td>0.10</td>
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<tr>
<td>Return Of Capital</td>
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<thead>
<tr>
<th>Best/Worst Periods %</th>
<th>Ended</th>
<th>1 Yr</th>
<th>Ended</th>
<th>3 Yr</th>
<th>Ended</th>
<th>5 Yr</th>
<th>Ended</th>
<th>10 Yr</th>
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<tbody>
<tr>
<td>Best</td>
<td>8-2014</td>
<td>16.5</td>
<td>5-2015</td>
<td>12.5</td>
<td>2-2014</td>
<td>9.3</td>
<td>2-2019</td>
<td>7.2</td>
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<tr>
<td>Worst</td>
<td>2-2009</td>
<td>-22.4</td>
<td>7-2010</td>
<td>-4.3</td>
<td>7-2012</td>
<td>-1.1</td>
<td>7-2017</td>
<td>3.3</td>
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<tr>
<td>Average</td>
<td>4.2</td>
<td>5.6</td>
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<td>4.2</td>
<td>5.6</td>
<td>6.3</td>
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<td>No. of Periods</td>
<td>131</td>
<td>107</td>
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<td>23</td>
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<td>Pct. Positive</td>
<td>77.9</td>
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<td>77.9</td>
<td>86.9</td>
<td>92.8</td>
<td>100.0</td>
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* Distributions are characterized into income type at year-end.

Quarterly Commentary as at March 31, 2019

Headwinds from protectionism, fading fiscal stimulus and less favourable financial conditions continued to weigh on the global economic expansion in the first quarter. The negative impact of these trends was offset somewhat by optimism that the U.S. and China would reach an agreement to end the current cycle of trade sanctions between the countries.

The Fund’s overweight position in equities and underweight position in fixed income had a positive impact on performance. Bond yields fell sharply in most major markets during the period as slowing growth led to expectations that major central banks would halt interest-rate increases. Canadian bonds outperformed their U.S. counterparts given the slower pace of economic growth in Canada. The Fund’s sole fixed-income holding, the RBC Vision Bond Fund, had a positive impact on the portfolio’s returns.

Global equities posted double-digit returns during the period, driven in part by the more attractive valuations that followed a steep decline in equities in the fourth quarter of 2018. Emerging markets lagged developed markets, which rebounded more strongly from the late-year losses. Both of the Fund’s equity holdings, the RBC Vision Global Equity Fund and the RBC Vision Canadian Equity Fund, contributed positively to the Fund’s performance.

We remain underweight fixed income because, in our view, total returns for sovereign bonds are likely to be low or even slightly negative for an extended period. Even after the strong rally since the start of 2019, equities offer superior upside potential relative to bonds. Our models suggest stocks can deliver further gains as long as earnings continue growing as analysts expect. Balancing the risks and opportunities, we feel that maintaining modest overweight exposure to equities is appropriate.
RBC Vision 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 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 May 31, 2019.

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