



# RBC Balanced Growth & Income Fund

## Investment Objective

To provide a combination of capital growth and modest income. The fund invests primarily in a diversified portfolio of income-producing equity and fixed-income securities from anywhere around the world either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF481
A	No Load	USD	RBF403
Adv	Deferred Sales	CAD	RBF881
Adv	Front End	CAD	RBF721
Adv	Low Load	CAD	RBF081
Adv	Low Load	USD	RBF4403
Adv T5	Deferred Sales	CAD	RBF887
Adv T5	Front End	CAD	RBF789
Adv T5	Low Load	CAD	RBF087
T5	No Load	CAD	RBF511
H	No Load	CAD	RBF381

Inception Date	August 2013
Total Fund Assets \$Mil	1,506.8
Series A NAV \$	12.00
Series A MER %	2.08
Benchmark	38% FTSE Canada Universe Bond Index 27.5% S&P/TSX Capped Composite Total Return Index 18.5% S&P 500 Total Return Index (CAD) 9% MSCI Emerging Markets Total Return Net Index (CAD) 5% MSCI Europe Total Return Net Index (CAD) 2% FTSE Canada 30 Day TBill Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

Fund Category	Global Equity Balanced
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Management Company	RBC Global Asset Management Inc.
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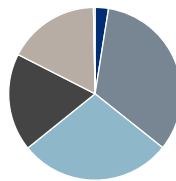
Web Site	www.rbcgam.com
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## Notes

Performance Analysis is in CAD and for CAD series A fund (RBF481).

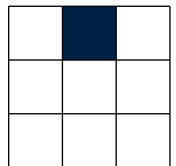
## Portfolio Analysis as of January 31, 2019

### Asset Mix



	% Assets
Cash	2.5
Fixed Income	33.2
Canadian Equity	28.5
US Equity	18.3
International Equity	17.2
Other	0.3

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	1.6
P/E Ratio	12.8
Avg. Mkt Cap. \$B	38.8

### Top 5 Sectors

	% Equity
Financials	25.6
Energy	14.6
Information Technology	9.3
Industrials	8.6
Real Estate	7.3

### Fixed Income Breakdown

	%
Govt. Bonds	35.7
Corp. Bonds	60.1
Other Bonds	2.0
MBS	0.0
Cash & Other	2.1
ABS	0.0

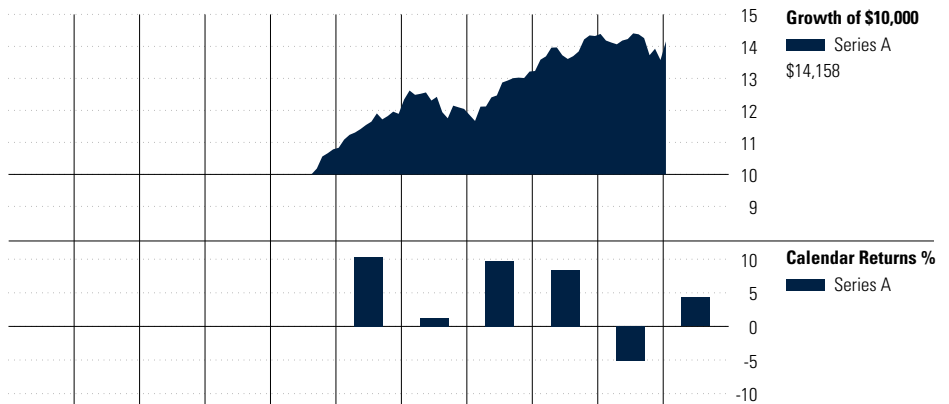
### Characteristics

	%
Avg. Term to maturity (Yrs)	9.0
Modified Duration (Yrs)	6.2
Yield to Maturity	3.9

### Top 10 Holdings

	% Assets
PH&N Total Return Bond Fund O	12.6
RBC Emerging Markets Dividend Fund O	10.7
RBC Global Corporate Bond Fund O	8.6
RBC Global High Yield Bond Fund O	6.6
BlueBay Glb Monthly Income Bond O	6.6
RBC European Dividend Fund O	6.4
Royal Bank of Canada	2.2
Bank of Nova Scotia	1.9
Enbridge Inc	1.6
The Toronto-Dominion Bank	1.5
<b>Total % of Top 10 Holdings</b>	<b>58.8</b>
Total Number of Portfolio Holdings	188
Total Number of Stock Holdings	490
Total Number of Bond Holdings	9,540
Total Number of Other Holdings	252
<b>Total Number of Underlying Holdings</b>	<b>10,282</b>

## Performance Analysis as of January 31, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Fund Quartile
Calendar Returns %	—	—	—	—	—	10.3	1.3	9.7	8.4	-5.2	4.3	2 <sup>nd</sup>
	—	—	—	—	—	2 <sup>nd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	4.3	3.2	-1.7	-1.6	6.1	5.5	—	6.4	Fund
	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	—	Quartile
	1240	1223	1192	1164	861	574	286	—	No. of Funds in Category



# RBC Balanced Growth & Income Fund

## Management Overview

### Manager Bios

#### Jennifer McClelland

##### RBC Global Asset Management Inc.

Jennifer McClelland is Vice President and Senior Portfolio Manager, Canadian Equities. Jennifer began her investment career in 1993. She is a member of the North American equity team and is responsible for core and income-oriented Canadian equity mandates. Jennifer has a Bachelor Degree in Economics from the University of Western Ontario and is a CFA charterholder.

#### 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.

#### Brad Willock

##### RBC Global Asset Management Inc.

Brad Willock joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for core and income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, 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	—	0.50	0.25	0.16	0.42	0.40	0.10	—	—	—	—
Interest	—	0.08	0.06	0.07	0.07	0.06	0.05	—	—	—	—
Dividends	—	0.09	0.07	0.09	0.09	0.07	0.01	—	—	—	—
Capital Gains	—	0.33	0.11	—	0.27	0.27	0.03	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2014	19.1	8-2016	9.0	8-2018	7.5	—	—
Worst	2-2016	-7.5	4-2018	4.0	12-2018	4.7	—	—
Average		6.0		5.9		5.9		—
No. of Periods		54		30		6		—
Pct. Positive		83.3		100.0		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, 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. Returns in the fixed-income segment of the portfolio were boosted by the Phillips, Hager & North Total Return Bond Fund. However, the RBC Global High Yield Bond Fund had a negative impact on performance.

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 stock declines in all regions.

We expect the trend of slowing 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.



# RBC Balanced Growth & Income 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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or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at [www.sedar.com](http://www.sedar.com).

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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