



# RBC Target 2020 Education Fund

## Investment Objective

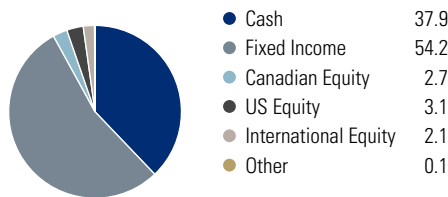
This fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding a post-secondary education that commences around 2020. The fund gradually shifts its asset mix from an emphasis on equity funds, in its early years, to an emphasis on money market funds as its "target" date (2020) approaches. Over the life of the fund, its portfolio will shift from a focus on funds with growth potential to a focus on funds that will preserve capital.

## Fund Details

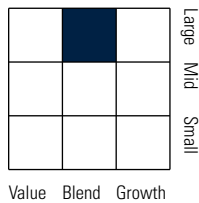
Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF585
Inception Date		August 2004	
Total Fund Assets \$Mil		856.1	
Series A NAV \$		11.97	
Series A MER %		1.05	
Benchmark		55.2% FTSE CUB 36.8% FTSE Canada 30 Day T-Bill Index 2.9% S&P/TSX Capped Composite Total Return 2.9% S&P 500 Total Return (C\$) 1.8% MSCI EAFE Total Return Net (C\$) 0.4% MSCI Emerging Markets Total Return (C\$)	
Income Distribution		Annually	
Capital Gains Distribution		Annually	
Sales Status		Open	
Min. Investment \$		500	
Subsequent Investment \$		25	
Fund Category		Short-term Target Date Portfolio	
Management Company		RBC Global Asset Management Inc.	
Web Site		www.rbcgam.com	

## Portfolio Analysis as of September 30, 2018

### Asset Mix



### Equity Style



### Top 5 Sectors

Sector	% Equity
Financials	24.4
Industrials	10.9
Information Technology	10.7
Energy	9.7
Health Care	9.1

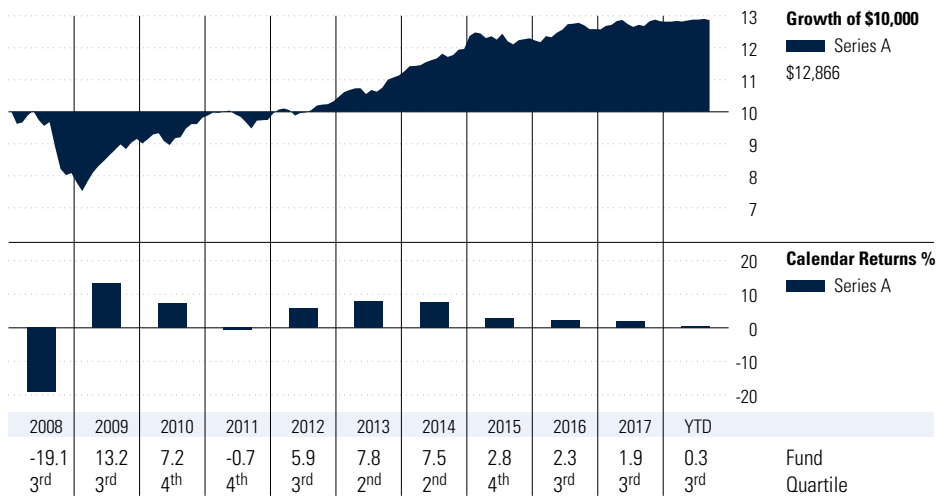
### Fixed Income Breakdown

Category	% Fixed Income
Government Bonds	33.3
Corporate Bonds	22.3
Other Bonds	1.2
Mortgage Backed Securities	1.3
ST Investments (Cash & Other)	41.1
Asset Backed Securities	0.8

### Top 25 Holdings

Holder	% Assets
RBC Canadian Money Market Fund	36.3
RBC Canadian Short -Term Income Fund	31.0
RBC Global Bond Fund	10.0
RBC Bond Fund	6.2
PH&N Short Term Bond & Mortgage Fund	5.0
PH&N Total Return Bond Fund	3.0
RBC Canadian Equity Fund	1.5
RBC European Equity Fund	1.2
RBC O'Shaughnessy US Value Fund	0.7
RBC QUBE Low Volatility Cdn Equity Fund	0.7
RBC Canadian Dividend Fund	0.7
PH&N US Multi-Style All-Cap Equity Fund	0.6
RBC US Equity Fund	0.6
RBC Private US Large Cap Equity Pool	0.6
RBC US Mid-Cap Growth Equity Fund	0.4
RBC Emerging Markets Equity Fund	0.4
RBC Asia Pacific ex-Japan Equity Fund	0.3
RBC Japanese Equity Fund	0.3
<b>Total % of Top 25 Holdings</b>	<b>99.7</b>
<b>Total Number of Portfolio Holdings</b>	<b>19</b>
<b>Total Number of Stock Holdings</b>	<b>1,123</b>
<b>Total Number of Bond Holdings</b>	<b>2,223</b>
<b>Total Number of Other Holdings</b>	<b>194</b>
<b>Total Number of Underlying Holdings</b>	<b>3,540</b>

## Performance Analysis as of September 30, 2018



Period	Trailing Return %	Fund Quartile	No. of Funds in Category
1 Mth	-0.3	2 <sup>nd</sup>	50
3 Mth	-0.1	2 <sup>nd</sup>	48
6 Mth	0.2	3 <sup>rd</sup>	48
1 Yr	1.5	3 <sup>rd</sup>	48
3 Yr	2.0	3 <sup>rd</sup>	25
5 Yr	3.7	3 <sup>rd</sup>	19
10 Yr	3.7	3 <sup>rd</sup>	10
Since Incep.	3.8	—	—



# RBC Target 2020 Education 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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.36	0.31	0.42	0.62	0.48	0.19	0.23	0.11	0.17	0.11
Interest	—	0.06	0.11	0.14	0.09	0.11	0.08	0.06	0.07	0.08	0.11
Dividends	—	0.02	0.02	0.03	0.12	0.05	0.06	0.03	0.05	0.04	—
Capital Gains	—	0.29	0.18	0.25	0.41	0.33	0.05	0.13	—	0.05	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	21.6	2-2012	10.2	2-2014	8.7	8-2014	4.4
Worst	2-2009	-21.9	2-2009	-6.0	5-2012	-0.5	9-2017	2.4
Average		3.9		3.4		3.7		3.2
No. of Periods		158		134		110		50
Pct. Positive		80.4		79.1		97.3		100.0

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

### Quarterly Commentary as at September 30, 2018

The accelerating U.S. economy and trade were the big stories in the third quarter of 2018. Concern that Canada would be omitted from a renegotiated trade pact between the U.S. and Mexico were alleviated at the end of the period, with the announcement of an agreement. The U.S. raised pressure on China to open up its economy, but by quarter-end there was scant evidence that the conflict had done much to hinder the U.S. economic expansion.

Returns in major fixed-income markets were negative, as interest rates moved mostly higher. Japanese fixed income underperformed as the central bank allowed interest rates to fluctuate outside the narrow band that had been in effect, while European bonds were hurt by concern about Brexit and proposals to boost Italian government spending. Returns in the fixed-income segment of the portfolio were held back by the RBC Global Bond Fund and the RBC Bond Fund.

Global equities were mixed during the quarter, with the S&P 500 Index rising to an all-time high while many other markets posted negative returns. The performance of emerging markets was especially negative given the trade tensions and a relatively strong U.S. dollar. Returns were bolstered by the RBC Private U.S. Large-Cap Core Equity Pool and the RBC O'Shaughnessy U.S. Value Fund.

If the economy continues to expand as we expect, tightening central-bank policy will likely lead to higher bond yields, which will act as a headwind to bond returns. Stocks offer more attractive upside as we think economic growth will be sufficient to drive further gains in corporate profits and revenues. Given the aging business cycle and the fact that U.S. equities are above fair value, we caution investors to expect lower total returns and heightened levels of volatility over the coming quarters.



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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 half-year period, January 1 to June 30, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

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 September 30, 2018.

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