



RBC Retirement 2040 Portfolio

Investment Objective

This fund is an asset allocation fund designed to meet the needs of investors who are saving money towards their retirement, which they expect will commence around 2040. The fund invests primarily in equities until 10 years prior to retirement, at which point it gradually shifts its asset mix from an emphasis on equity funds to an emphasis on fixed income funds. 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	RBF1513
Adv	Low Load	CAD	RBF4623

Inception Date	October 2016
Total Fund Assets \$Mil	5.7
Series A NAV \$	10.25
Series A MER %	2.14
Benchmark	See notes below

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	2035+ Target Date Portfolio
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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

Securities regulations do not allow us to report performance for a mutual fund that has been available for less than one year. This fund was launched October 11, 2016.

Benchmark:

23.1% S&P/TSX Capped Composite Total Return Index;
21.0% Citigroup World Government Bond Index (Hedged to C\$);

23.1% S&P 500 Total Return Index (C\$);

14.4% MSCI EAFE Total Return Net Index (C\$)

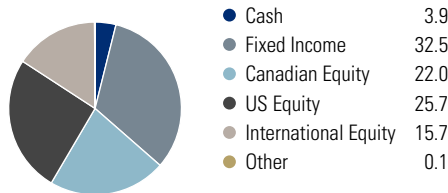
13.0% FTSE TMX Canada Universe Bond Index;

4.5% MSCI Emerging Markets Total Return Net Index (C\$);

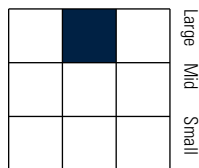
1.0% FTSE TMX Canada Short-Term Overall Bond Index

Portfolio Analysis as of March 31, 2017

Asset Mix



Equity Style



Value Blend Growth

Statistics

P/B Ratio	2.2
P/E Ratio	18.3
Avg. Mkt Cap. \$B	31.0

Top 5 Sectors

Sector	% Equity
Financials	22.7
Information Technology	11.9
Energy	11.4
Consumer Discretionary	10.4
Industrials	9.8

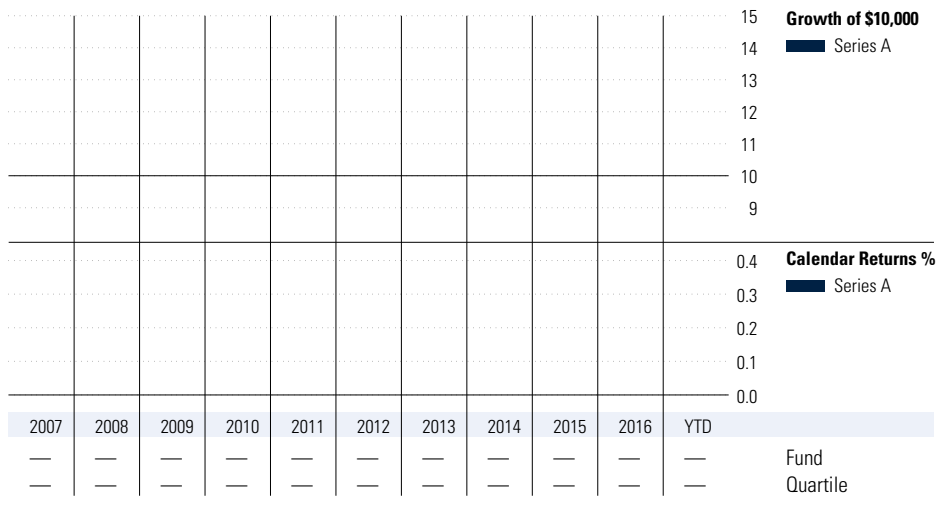
Fixed Income Breakdown

Category	% Fixed Income
Government Bonds	43.0
Corporate Bonds	40.4
Other Bonds	5.8
Mortgage Backed Securities	0.1
ST Investments (Cash & Other)	10.7
Asset Backed Securities	0.0

Top 25 Holdings

Holder	% Assets
RBC Global Equity Focus Fund	9.6
PH&N US Multi-Style All-Cap Equity Fund	6.7
PH&N Canadian Equity Underlying Fund	6.7
RBC Bond Fund	6.6
PH&N Total Return Bond Fund	6.4
RBC Global Dividend Growth Fund	5.3
RBC QUBE Low Volatility Global Eq Fund	5.0
RBC Global High Yield Bond Fund	4.9
PH&N Canadian Growth Fund	4.9
RBC US Mid-Cap Value Equity Fund	4.5
BlueBay European High Yield Bond Fund	4.0
RBC Emerging Markets Equity Fund	3.5
PH&N Conservative Equity Income Fund	3.4
RBC Private Canadian Mid Cap Eqty Pool	3.3
RBC QUBE Low Volatility Cdn Eq Fund	3.2
RBC Global Bond Fund	3.1
BlueBay Global Inv Grade Corp Bond Fund	3.0
BlueBay Global Sovereign Bond Fund	3.0
RBC Global Corporate Bond Fund	3.0
RBC European Equity Fund	2.7
RBC U.S. Equity Value Fund	2.1
PH&N Canadian Equity Value Fund	1.9
RBC Asia Pacific ex-Japan Equity Fund	0.9
RBC Canadian Short Term Income Fund	0.5
RBC Japanese Equity Fund	0.4
Total % of Top 25 Holdings	98.4
Total Number of Portfolio Holdings	28
Total Number of Stock Holdings	3,132
Total Number of Bond Holdings	5,301
Total Number of Other Holdings	67
Total Number of Underlying Holdings	8,500

Performance Analysis as of March 31, 2017



Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	—	—	—	—	—	—	—	—	—
Quartile	—	—	—	—	—	—	—	—	—
No. of Funds in Category	45	44	35	32	11	11	6	—	—



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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 charterholder.

Performance Analysis Cont'd as of March 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.18	—	—	—	—	—	—	—	—	—
Interest	—	0.04	—	—	—	—	—	—	—	—	—
Dividends	—	0.02	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.13	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	—	—	—	—	—	—	—	—
Worst	—	—	—	—	—	—	—	—
Average	—	—	—	—	—	—	—	—
No. of Periods	—	—	—	—	—	—	—	—
Pct. Positive	—	—	—	—	—	—	—	—

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

Quarterly Commentary as at March 31, 2017

RBC Retirement 2040 Portfolio was launched on October 11, 2016. Investment performance is not provided for a fund that has been available for less than one year.

Leading economic indicators are at their best levels in several years, economic surprises have been overwhelmingly positive and profits continue to recover. As a result, risk assets have performed well, and long-term expected returns for stocks remain attractive. We continue to believe that bond yields will move gradually higher over time, but any near-term adjustment will likely be limited given the amount of monetary stimulus that is still in place, as well as the slow-growth environment. Longer term, as unorthodox monetary policy fades, yields will again be driven by economic conditions such as inflation and economic growth, which our

models suggest could lead to higher bond yields.

We don't think that equity market valuations are as stretched as some investors believe once you factor in current levels of inflation, interest rates and corporate profitability. However, we do recognize that stocks are not as cheap as they were, so a continued improvement in earnings is needed to fuel further equity gains. Fortunately, a recovery in profits is well underway. In fact, S&P 500 earnings exceeded analysts' forecasts in the fourth quarter and now appear to be accelerating. While there are risks that some of Trump's protectionist policies could have a negative impact on earnings, significant gains are also possible if large-scale corporate-tax cuts materialize and the economy accelerates.



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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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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.

MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, 2016 to September 30, 2016, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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.

PH&N Funds Series A formerly known as Series C.

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 March 31, 2017.

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