



# 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	5,640.4
Series A NAV \$	14.30
Series A MER %	2.16
Benchmark	45% FTSE TMX Canada Universe 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) 3% MSCI Emerging Markets Total Return Net Index (CAD)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

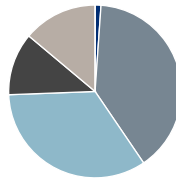
Fund Category	Canadian Neutral Balanced
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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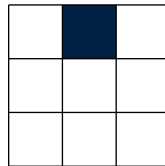
## Portfolio Analysis as of September 30, 2017

### Asset Mix



	% Assets
Cash	1.1
Fixed Income	39.4
Canadian Equity	33.9
US Equity	11.7
International Equity	13.9
Other	0.0

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	2.2
P/E Ratio	17.9
Avg. Mkt Cap. \$B	39.5

### Top 5 Sectors

	% Equity
Financials	28.7
Energy	14.2
Information Technology	10.2
Industrials	10.0
Consumer Discretionary	8.8

### Fixed Income Breakdown

	%
Govt. Bonds	72.8
Corp. Bonds	26.0
Other Bonds	0.0
MBS	0.0
Cash & Other	1.2
ABS	0.0

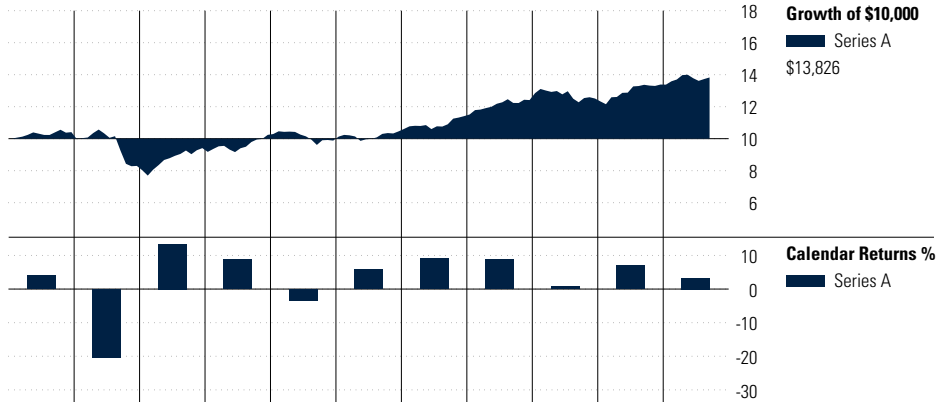
### Characteristics

	%
Avg. Term to maturity (Yrs)	10.5
Modified Duration (Yrs)	7.6
Yield to Maturity	2.7

### Top 25 Holdings

	% Assets
RBC Emerging Markets Equity Fund	3.6
Royal Bank of Canada	2.5
The Toronto-Dominion Bank	2.3
Bank of Nova Scotia	1.7
Suncor Energy Inc	1.5
Enbridge Inc	1.5
Canadian National Railway Co	1.5
RBC Canadian Small & Mid-Cap Res Fund	1.5
Canada Govt 0.75% 01-09-2021	1.4
Ontario Prov Cda 4.6% 02-06-2039	1.1
Ontario Prov Cda 2.85% 02-06-2023	1.1
Ontario Prov Cda 4.65% 02-06-2041	1.0
Bank of Montreal	1.0
Brookfield Asset Management Inc Class A	1.0
Ontario Prov Cda 3.15% 02-06-2022	1.0
Canadian Natural Resources Ltd	1.0
Canada Govt 0.75% 01-03-2021	1.0
TransCanada Corp	1.0
Manulife Financial Corp	0.9
Hydro Que Medium Trm Nts 6.5% 15-02-2035	0.9
Canada Govt 0.5% 01-03-2022	0.9
Ontario Prov Cda 4.7% 02-06-2037	0.9
Quebec Prov Medium Term Nt Cds 3% 01-09-2023	0.8
Ontario Prov Cda 2.4% 02-06-2026	0.8
Ontario Prov Cda 2.6% 02-06-2025	0.8
Total % of Top 25 Holdings	32.7
Total Number of Portfolio Holdings	598
Total Number of Stock Holdings	2,728
Total Number of Bond Holdings	1,474
Total Number of Other Holdings	29
<b>Total Number of Underlying Holdings</b>	<b>4,231</b>

## Performance Analysis as of September 30, 2017



Year	Return %	Rank
2007	4.1	1 <sup>st</sup>
2008	-20.3	4 <sup>th</sup>
2009	13.4	4 <sup>th</sup>
2010	8.8	3 <sup>rd</sup>
2011	-3.5	4 <sup>th</sup>
2012	5.8	3 <sup>rd</sup>
2013	9.1	3 <sup>rd</sup>
2014	8.8	2 <sup>nd</sup>
2015	0.8	3 <sup>rd</sup>
2016	7.0	2 <sup>nd</sup>
YTD	3.3	2 <sup>nd</sup>

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Rank	Trading Return %
	0.7	0.4	0.9	3.4	4.2	6.1	2.9	6.4	Fund	
	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	—	Quartile	
	644	643	632	622	470	353	150	—	No. of Funds in Category	



# RBC Balanced Fund

## 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.

Dagmara is Sr. Vice President & Sr. Portfolio Manager, and Head, Global Fixed Income & Currencies at RBC Global Asset Management. She leads a team of over 20 professionals with more than \$50 billion in assets under management. Dagmara also co-manages several of the firms' bond funds and manages foreign exchange hedging and active currency management programs. She has an MBA from the Richard Ivey School of Business and a Master's in economics from the University of Lodz, and is a CFA charterholder.

### Performance Analysis Cont'd as of September 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.02	0.23	0.39	0.57	0.54	0.17	0.08	—	—	—	0.95
Interest	0.02	—	0.00	—	—	—	—	—	—	—	0.06
Dividends	—	0.11	0.12	0.06	0.02	0.05	—	—	—	—	0.07
Capital Gains	—	0.12	0.27	0.50	0.52	0.12	0.08	—	—	—	0.82
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1994	26.4	3-2006	15.7	9-1997	12.7	9-2005	7.5
Worst	2-2009	-23.3	2-2009	-5.8	5-2012	-1.0	8-2010	2.3
Average		6.3		6.0		5.7		5.1
No. of Periods		289		265		241		181
Pct. Positive		75.8		84.5		95.4		100.0

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

### Quarterly Commentary as at September 30, 2017

The global acceleration in economic growth that began last year has been largely sustained. The need for extreme monetary stimulus is fading and central banks including the U.S. Federal Reserve and the Bank of Canada (BoC) are gradually shifting toward tighter policy.

The Fund's overweight position in equities and underweight position in fixed income had a positive impact on performance. Returns on global government bonds were low to slightly negative during the period. Canadian bonds underperformed after the BoC boosted short-term interest rates given faster-than-expected economic growth. Returns benefited from significant exposure to investment-grade corporate bonds, which performed better than provincial and Government of Canada securities.

Global equities posted gains, led by emerging-market and Canadian equities as prices for oil and other commodities strengthened. The S&P 500

finished the period at a record high, but a weaker U.S. dollar offset most of the returns when translated back into Canadian dollars. Performance was aided by the positive impact of an overweight position in emerging markets, offset by the negative impact of security selection in the developed markets of Europe and Asia.

Our models continue to suggest the long-term direction for bond yields is higher, which would weigh on total returns for bond holders. Prospective returns for equities are much better than for fixed income, but the valuation tailwind from falling interest rates may be exhausted so earnings growth is now critical for the continuity of the bull market. The Fund has been dialing back the risk exposure in the asset mix as the business cycle matures, trimming the equity-overweight allocation and splitting the proceeds between cash and fixed income.



# RBC 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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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 half-year period, January 1 to June 30, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, 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.

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, 2017.

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