



# 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	5,718.7
Series A NAV \$	14.27
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

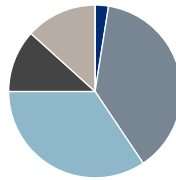
Fund Category	Canadian Neutral Balanced
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of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

### Asset Mix

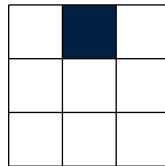


	% Assets
Cash	2.5
Fixed Income	38.1
Canadian Equity	34.4
US Equity	11.7
International Equity	13.3
Other	0.0

### Top 25 Holdings

	% Assets
RBC Emerging Markets Equity Fund	3.4
Royal Bank of Canada	2.5
The Toronto-Dominion Bank	2.1
Bank of Nova Scotia	1.7
Canadian National Railway Co	1.6
RBC Canadian Small & Mid-Cap Res Fund	1.5
Enbridge Inc	1.4
Suncor Energy Inc	1.4
Canada Govt 0.75% 01-09-2021	1.4
Ontario Prov Cda 4.65% 02-06-2041	1.2
Ontario Prov Cda 4.6% 02-06-2039	1.2
Ontario Prov Cda 2.85% 02-06-2023	1.1
Bank of Montreal	1.1
Brookfield Asset Management Inc Class A	1.0
TransCanada Corp	1.0
Ontario Prov Cda 3.15% 02-06-2022	1.0
Manulife Financial Corp	0.9
Hydro Que Medium Trm Nts 6.5% 15-02-2035	0.9
Canadian Natural Resources Ltd	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 3.45% 02-06-2045	0.8
Canada Hsg Tr No 1 2.65% 15-03-2022	0.7
Ontario Prov Cda 5.6% 02-06-2035	0.7
Ontario Prov Cda 2.6% 02-06-2025	0.6

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	2.1
P/E Ratio	17.6
Avg. Mkt Cap. \$B	38.2

### Top 5 Sectors

	% Equity
Financials	29.0
Energy	13.7
Industrials	10.7
Information Technology	9.5
Consumer Discretionary	9.3

### Fixed Income Breakdown

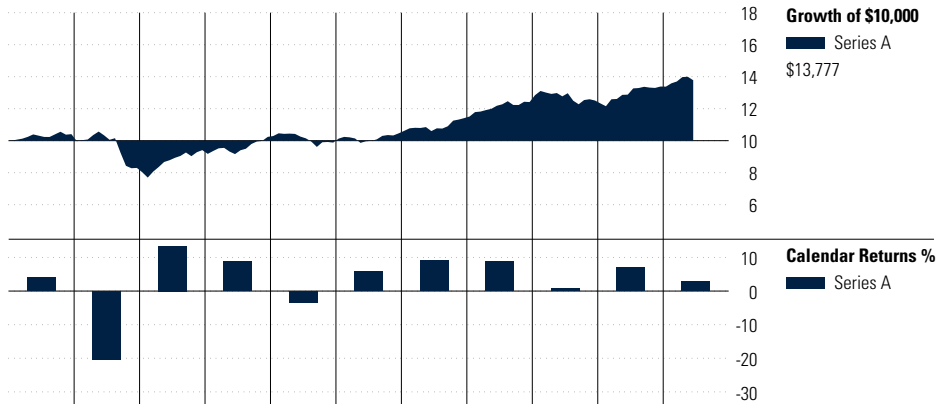
	%
Govt. Bonds	71.4
Corp. Bonds	26.2
Other Bonds	0.0
MBS	0.0
Cash & Other	2.4
ABS	0.0

### Characteristics

	%
Avg. Term to maturity (Yrs)	10.8
Modified Duration (Yrs)	7.9
Yield to Maturity	2.3

Total % of Top 25 Holdings	31.9
Total Number of Portfolio Holdings	587
Total Number of Stock Holdings	2,711
Total Number of Bond Holdings	1,256
Total Number of Other Holdings	26
<b>Total Number of Underlying Holdings</b>	<b>3,993</b>

## Performance Analysis as of June 30, 2017



Year	Return %	Rank
2007	4.1	1 <sup>st</sup>
2008	-20.3	4 <sup>th</sup>
2009	13.4	3 <sup>rd</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	2.9	2 <sup>nd</sup>

Period	Return %	Rank	No. of Funds in Category
1 Mth	-1.6	3 <sup>rd</sup>	654
3 Mth	0.6	2 <sup>nd</sup>	643
6 Mth	2.9	2 <sup>nd</sup>	640
1 Yr	7.0	2 <sup>nd</sup>	618
3 Yr	4.2	2 <sup>nd</sup>	474
5 Yr	6.7	2 <sup>nd</sup>	350
10 Yr	2.9	4 <sup>th</sup>	140
Since Incep.	6.5	—	—



# 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 June 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.00	0.23	0.39	0.57	0.54	0.17	0.08	—	—	—	0.95
Interest	0.00	—	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	6-2002	7.8
Worst	2-2009	-23.3	2-2009	-5.8	5-2012	-1.0	8-2010	2.3
Average		6.4		6.1		5.8		5.2
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 June 30, 2017

The economic uptick that took root last year has continued to bloom and a synchronized global economic expansion is at hand, with leading indicators pointing to a faster-than-normal clip across much of the world.

The Fund's overweight position in equities and underweight position in fixed income had a positive impact on performance. Global bond yields rose in June, reversing the trend in place since late 2016, as more central banks joined the U.S. in signaling that monetary policy would be tightened. Returns were aided by security selection in investment-grade bonds, partially offset by the impact of currency on the high-yield segment of the portfolio.

U.S. stocks rose, despite some deterioration in U.S. economic data, amid robust earnings growth. Canadian stocks underperformed other major global equity markets due to Canada's significant exposure to resource stocks. Boosting returns was security selection in equity markets in Canada,

emerging markets and the developed markets of Europe and Asia.

The portfolio manager is budgeting for a bit faster global economic growth over the next few years than has been the case in the recent past, and expects bond yields to rise over the long term. However, fading confidence in President Trump's ability to bolster growth and generate faster inflation has recently weighed on yields, reintroducing the fixed-income valuation risk that had been alleviated shortly after the election. U.S. profit growth is recovering from a two-year decline and, if earnings continue to rise as analysts expect, the total-return potential for stocks remains quite positive. However, the portfolio manager has gradually begun to dial back the Fund's overweight exposure to equities given the aging business cycle, less compelling valuations and concern that complacency is beginning to seep into markets.



# 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 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 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 April 30, 2017.

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