



# 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	5,794.6
Series A NAV \$	14.19
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

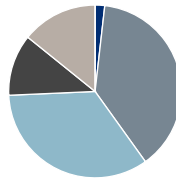
Fund Category	Canadian Neutral Balanced
---------------	---------------------------

Management Company	RBC Global Asset Management Inc.
--------------------	----------------------------------

Web Site	www.rbcgam.com
----------	----------------

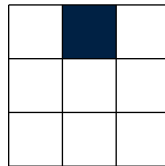
## Portfolio Analysis as of March 31, 2017

### Asset Mix



	% Assets
Cash	1.8
Fixed Income	38.3
Canadian Equity	34.2
US Equity	11.5
International Equity	14.2
Other	0.0

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	2.1
P/E Ratio	17.3
Avg. Mkt Cap. \$B	37.2

### Top 5 Sectors

	% Equity
Financials	28.0
Energy	14.9
Information Technology	10.0
Consumer Discretionary	9.6
Industrials	9.4

### Fixed Income Breakdown

	%
Govt. Bonds	71.7
Corp. Bonds	26.5
Other Bonds	0.0
MBS	0.0
Cash & Other	1.7
ABS	0.0

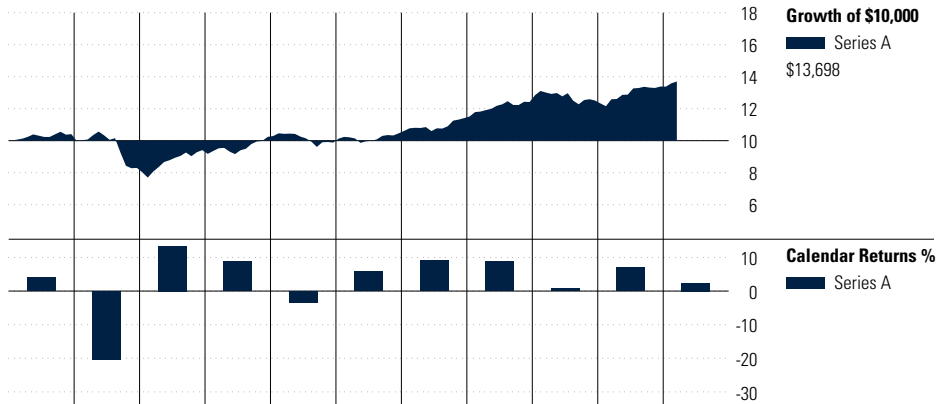
### Characteristics

	%
Avg. Term to maturity (Yrs)	10.5
Modified Duration (Yrs)	7.8
Yield to Maturity	2.2

### Top 25 Holdings

	% Assets
RBC Emerging Markets Equity Fund	4.8
Royal Bank of Canada	2.5
The Toronto-Dominion Bank	2.1
Bank of Nova Scotia	1.7
RBC Canadian Small & Mid-Cap Res Fund	1.6
Canada Govt 0.75% 01-09-2021	1.6
Enbridge Inc	1.5
Suncor Energy Inc	1.5
Canadian National Railway Co	1.5
Ontario Prov Cda 4.65% 02-06-2041	1.2
Bank of Montreal	1.1
Ontario Prov Cda 4.6% 02-06-2039	1.1
Ontario Prov Cda 2.85% 02-06-2023	1.1
Canadian Natural Resources Ltd	1.1
Ontario Prov Cda 3.15% 02-06-2022	1.0
TransCanada Corp	1.0
Brookfield Asset Management Inc Class A	1.0
Canada Govt 1.5% 01-06-2026	1.0
Manulife Financial Corp	0.9
Hydro Que Medium Trm Nts 6.5% 15-02-2035	0.9
Ontario Prov Cda 4.7% 02-06-2037	0.9
Canada Govt 3.5% 01-12-2045	0.9
Quebec Prov Medium Term Nt Cds 3% 01-09-2023	0.8
Ontario Prov Cda 6.2% 02-06-2031	0.8
Canada Hsg Tr No 1 2.65% 15-03-2022	0.7
<b>Total % of Top 25 Holdings</b>	<b>34.1</b>
<b>Total Number of Portfolio Holdings</b>	<b>579</b>
<b>Total Number of Stock Holdings</b>	<b>2,650</b>
<b>Total Number of Bond Holdings</b>	<b>294</b>
<b>Total Number of Other Holdings</b>	<b>18</b>
<b>Total Number of Underlying Holdings</b>	<b>2,962</b>

## Performance Analysis as of March 31, 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	2.4	2 <sup>nd</sup>

Period	Return %	Rank	No. of Funds in Category
1 Mth	0.8	2 <sup>nd</sup>	670
3 Mth	2.4	2 <sup>nd</sup>	667
6 Mth	2.5	3 <sup>rd</sup>	660
1 Yr	8.8	2 <sup>nd</sup>	634
3 Yr	5.0	2 <sup>nd</sup>	494
5 Yr	6.1	3 <sup>rd</sup>	356
10 Yr	3.1	4 <sup>th</sup>	147
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 March 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.23	0.39	0.57	0.54	0.17	0.08	—	—	—	0.95
Interest	—	—	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	3-2002	8.7
Worst	2-2009	-23.3	2-2009	-5.8	5-2012	-1.0	8-2010	2.3
Average		6.5		6.2		5.9		5.3
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 March 31, 2017

Global economic growth firmed, with a noticeable pickup in the Eurozone starting to factor into the expansion. In March, the U.S. Federal Reserve boosted its short-term benchmark interest rate for the second time in three months, reflecting optimism about the pace of the U.S. expansion. However, longer-term U.S. bond yields fell late in the period on concern that President Trump might have trouble winning approval for his economic proposals.

The Fund's overweight position in equities and underweight position in fixed income had a positive impact on performance. Canadian, U.S. and U.K. bonds posted gains, while the improved outlook for the Eurozone resulted in losses for the region's government bonds. Returns were aided by holdings in high-yield bonds, investment-grade corporate bonds and provincial bonds.

Major equity markets rose, led by Europe and emerging markets, amid optimism that economies around the world were gathering momentum. The

Fund's equity allocation benefited from security selection in the developed markets of Europe and Asia and asset weighting in emerging markets. U.S. security selection had a negative impact on returns.

Leading economic indicators are at their best levels in several years, economic surprises have been overwhelmingly positive and corporate earnings are recovering. As a result, risk assets such as equities and corporate credit have performed well. We expect bond yields to rise, resulting in low or potentially negative fixed-income returns over the years ahead, and we therefore remain underweight bonds. Long-term expected returns for stocks are more attractive, accounting for our equity overweight. In the near term, however, uncertainty surrounding U.S. public policy and a variety of style and technical factors have led us to reduce our exposure to stocks, where we remain overweight, but a little less so.



# 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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates 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 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.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2017