



# RBC Select Growth Portfolio

## Investment Objective

To provide long-term capital growth by investing primarily in funds managed by RBC GAM, emphasizing equity mutual funds for higher growth potential, with some exposure to fixed-income mutual funds for diversification. The portfolio invests in a diversified mix of Canadian, U.S. and international funds.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF459    |
| A      | No Load        | USD      | RBF518    |
| Adv    | Deferred Sales | CAD      | RBF842    |
| Adv    | Front End      | CAD      | RBF742    |
| Adv    | Low Load       | CAD      | RBF102    |
| Adv    | Low Load       | USD      | RBF4518   |
| T5     | No Load        | CAD      | RBF547    |

|                         |   |
|-------------------------|---|
| Inception Date          | December 1986   |
| Total Fund Assets \$Mil | 8,210.9   |
| Series A NAV \$         | 28.73   |
| Series A MER %          | 2.04  |
| Benchmark               | 30% FTSE TMX Canada Universe Bond Index<br>25% S&P 500 Total Return Index (CAD)<br>23% S&P/TSX Capped Composite Total Return Index<br>16% MSCI EAFE Total Return Net Index (CAD)<br>6% MSCI Emerging Markets Total Return Net Index (CAD) |

|                            |          |
|----------------------------|----------|
| Income Distribution        | Annually |
| Capital Gains Distribution | Annually |

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

|               |                        |
|---------------|------------------------|
| Fund Category | Global Equity Balanced |
|---------------|------------------------|

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

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

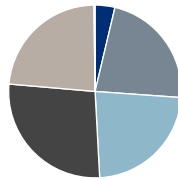
## Notes

Performance Analysis is in CAD and for CAD series A fund (RBF459).

This is a continuing fund resulting from a merger effective June 27, 2014.

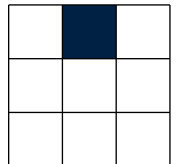
## Portfolio Analysis as of September 30, 2017

### Asset Mix



|                      | % Assets |
|----------------------|----------|
| Cash                 | 3.7      |
| Fixed Income         | 22.4     |
| Canadian Equity      | 23.0     |
| US Equity            | 27.2     |
| International Equity | 23.4     |
| Other                | 0.2      |

### Equity Style



Value Blend Growth

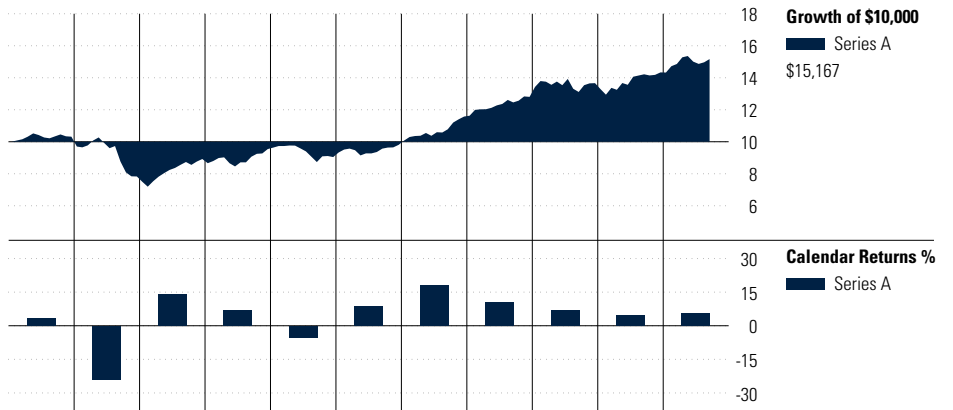
### Top 5 Sectors

|                        | % Equity |
|------------------------|----------|
| Financials             | 24.5     |
| Information Technology | 13.9     |
| Consumer Discretionary | 10.4     |
| Industrials            | 10.4     |
| Energy                 | 10.1     |

### Fixed Income Breakdown

|                               | % Fixed Income |
|-------------------------------|----------------|
| Government Bonds              | 40.6           |
| Corporate Bonds               | 39.6           |
| Other Bonds                   | 5.7            |
| Mortgage Backed Securities    | 0.0            |
| ST Investments (Cash & Other) | 14.0           |
| Asset Backed Securities       | 0.1            |

## Performance Analysis as of September 30, 2017



|                 | 2007            | 2008            | 2009            | 2010            | 2011            | 2012            | 2013            | 2014            | 2015            | 2016            | YTD |          |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----|----------|
| 3.2             | -24.1           | 13.9            | 7.0             | -5.2            | 8.5             | 18.0            | 10.6            | 6.7             | 4.9             | 5.8             |     | Fund     |
| 1 <sup>st</sup> | 3 <sup>rd</sup> | 4 <sup>th</sup> | 4 <sup>th</sup> | 3 <sup>rd</sup> | 3 <sup>rd</sup> | 3 <sup>rd</sup> | 1 <sup>st</sup> | 2 <sup>nd</sup> | 3 <sup>rd</sup> | 2 <sup>nd</sup> |     | Quartile |

|  | 1 Mth           | 3 Mth           | 6 Mth           | 1 Yr            | 3 Yr            | 5 Yr            | 10 Yr           | Since Incep. | Trailing Return %        |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|--------------------------|
|  | 1.4             | 1.1             | 2.1             | 6.7             | 6.8             | 9.6             | 3.9             | 6.1          | Fund                     |
|  | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 3 <sup>rd</sup> | —            | Quartile                 |
|  | 1071            | 1065            | 1039            | 1007            | 679             | 466             | 217             | —            | No. of Funds in Category |



# RBC Select Growth Portfolio

## 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 September 30, 2017

| Distributions (\$)/Unit | YTD* | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions     | —    | 0.33 | 1.60 | 2.62 | 0.39 | 0.18 | 0.23 | 0.09 | 0.11 | 0.15 | 0.81 |
| Interest                | —    | 0.01 | 0.01 | 0.01 | 0.02 | —    | —    | —    | 0.05 | —    | 0.35 |
| Dividends               | —    | 0.15 | 0.15 | 0.14 | 0.10 | 0.09 | —    | 0.02 | 0.06 | 0.01 | —    |
| Capital Gains           | —    | 0.17 | 1.43 | 2.47 | 0.28 | 0.09 | 0.23 | 0.07 | —    | 0.14 | 0.46 |
| Return Of Capital       | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |

| Best/Worst Periods % | Ended  | 1 Yr  | Ended  | 3 Yr | Ended  | 5 Yr | Ended  | 10 Yr |
|----------------------|--------|-------|--------|------|--------|------|--------|-------|
| Best                 | 3-2004 | 28.0  | 3-2006 | 16.8 | 9-1997 | 12.5 | 2-2005 | 6.8   |
| Worst                | 2-2009 | -25.5 | 3-2003 | -8.1 | 5-2012 | -2.8 | 8-2010 | 0.8   |
| Average              |        | 6.4   |        | 6.2  |        | 5.7  |        | 4.6   |
| No. of Periods       |        | 289   |        | 265  |        | 241  |        | 181   |
| Pct. Positive        |        | 73.7  |        | 79.6 |        | 89.2 |        | 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 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. 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. Returns were boosted by exposure to the RBC Private Canadian Equity Pool, the RBC European Equity Fund and the Phillips, Hager & North Canadian Equity Underlying Fund.

Returns on global government bonds were low to

slightly negative during the period. Canadian bonds underperformed after the Bank of Canada boosted short-term interest rates given faster-than-expected economic growth. The RBC Bond Fund had a negative impact on the Fund's returns, while performance was boosted by the RBC Global Corporate Bond Fund.

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.



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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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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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