



# RBC Select Balanced Portfolio

## Investment Objective

To provide long-term capital growth, with a secondary focus on modest income, by investing primarily in funds managed by RBC GAM, investing in equity mutual funds for higher growth potential and fixed-income mutual funds for diversification and the potential to generate income. The portfolio maintains a balance of investments across several asset classes.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF460
A	No Load	USD	RBF517
Adv	Deferred Sales	CAD	RBF841
Adv	Front End	CAD	RBF741
Adv	Low Load	CAD	RBF101
Adv	Low Load	USD	RBF4517
T5	No Load	CAD	RBF546

Inception Date	December 1986
Total Fund Assets \$Mil	26,249.2
Series A NAV \$	26.67
Series A MER %	1.94
Benchmark	45% FTSE TMX Canada Universe Bond Index 20% S&P 500 Total Return Index (CAD) 19% S&P/TSX Capped Composite Total Return Index 12% MSCI EAFE Total Return Net Index (CAD) 4% 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	Global Neutral Balanced
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

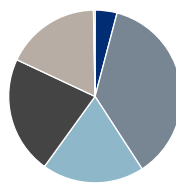
## Notes

Performance Analysis is in CAD and for CAD series A fund (RBF460).

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

## Portfolio Analysis as of September 30, 2017

### Asset Mix

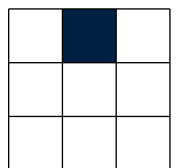


	% Assets
Cash	4.1
Fixed Income	36.7
Canadian Equity	19.1
US Equity	22.0
International Equity	17.7
Other	0.3

### Top 25 Holdings

	% Assets
RBC Bond Fund	17.4
RBC Global Corporate Bond Fund	9.1
RBC European Equity Fund	7.4
PH&N US Multi-Style All-Cap Equity Fund	6.0
RBC Private Canadian Equity Pool	5.5
RBC Canadian Dividend Fund	5.4
RBC QUBE US Equity Fund	5.3
RBC Global Bond Fund	3.9
RBC Emerging Markets Equity Fund	3.4
PH&N Canadian Equity Underlying Fund	3.3
RBC QUBE Canadian Equity Fund	3.2
RBC Global Equity Focus Fund	2.8
RBC Global Dividend Growth Fund	2.8
BlueBay Global Monthly Income Bond Fund	2.8
PH&N Canadian Equity Underlying Fund II	2.7
RBC Asia Pacific ex-Japan Equity Fund	2.3
RBC Private US Large Cap Equity Pool	2.2
RBC US Dividend Fund	2.1
BlueBay Global Inv Grade Corp Bond Fund	1.9
BlueBay Global Sovereign Bond Fund	1.2
RBC Japanese Equity Fund	1.1
RBC US Mid-Cap Growth Equity Fund	1.1
RBC US Equity Series Fund	1.1
RBC US Mid-Cap Value Equity Fund	1.0
RBC Global High Yield Bond Fund	1.0
<b>Total % of Top 25 Holdings</b>	<b>95.9</b>
<b>Total Number of Portfolio Holdings</b>	<b>33</b>
<b>Total Number of Stock Holdings</b>	<b>3,218</b>
<b>Total Number of Bond Holdings</b>	<b>5,620</b>
<b>Total Number of Other Holdings</b>	<b>214</b>
<b>Total Number of Underlying Holdings</b>	<b>9,052</b>

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	2.4
P/E Ratio	18.1
Avg. Mkt Cap. \$B	42.0

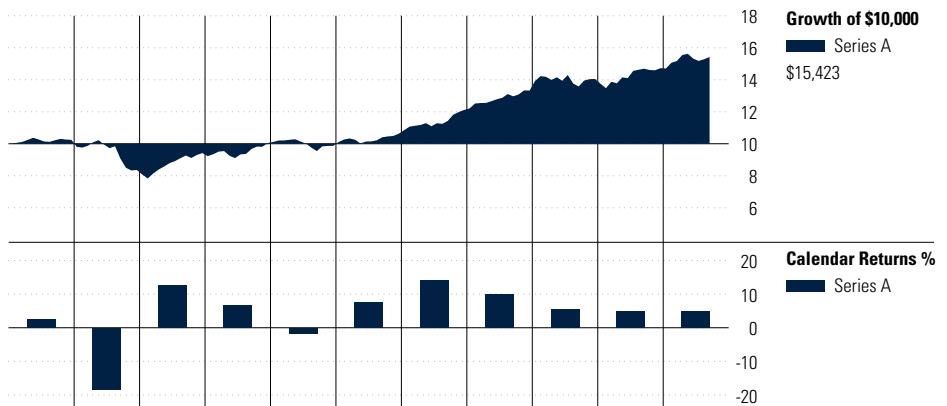
### Top 5 Sectors

	% Equity
Financials	25.0
Information Technology	13.8
Industrials	10.4
Consumer Discretionary	10.3
Energy	10.2

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	39.6
Corporate Bonds	43.8
Other Bonds	6.6
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	9.9
Asset Backed Securities	0.1

## Performance Analysis as of September 30, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Fund Quartile
Return %	2.4	-18.4	12.6	6.6	-1.7	7.7	14.0	10.0	5.4	4.8	4.8	
Rank	1 <sup>st</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return %	0.9	0.7	1.7	5.0	6.0	8.2	4.2	6.5	Fund
Rank	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	—	Quartile
No. of Funds in Category	1406	1393	1346	1288	924	629	205	—	



# RBC Select Balanced 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	—	0.43	1.30	2.02	0.50	0.30	0.42	0.23	0.24	0.18	1.04
Interest	—	0.09	0.10	0.09	0.07	0.06	0.03	0.05	0.14	0.14	0.41
Dividends	—	0.15	0.13	0.10	0.13	0.12	0.10	0.09	0.07	0.04	0.01
Capital Gains	—	0.20	1.07	1.83	0.30	0.12	0.30	0.09	0.03	—	0.61
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	7-1997	25.8	4-1998	15.0	9-1997	11.9	1-2005	7.5
Worst	2-2009	-19.8	2-2009	-5.2	5-2012	-0.7	8-2010	2.1
Average		6.4		6.3		5.9		5.1
No. of Periods		289		265		241		181
Pct. Positive		77.5		84.9		97.9		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. The RBC Bond Fund had a negative impact on the Fund's returns. However, performance was positively affected by exposure to the RBC Global Corporate Bond Fund and the BlueBay Global Monthly Income Bond Fund.

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 boosted by the RBC Private Canadian Equity Pool, the RBC Canadian Dividend Fund and the Phillips, Hager & North QUBE Canadian Equity 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.



## RBC Select Balanced Portfolio

### 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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