



BALANCED FUND

## RBC BALANCED FUND

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December 31, 2021

**Portfolio Manager** *RBC Global Asset Management Inc. ("RBC GAM")*

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England  
*(for a portion of the Fund)*

Sub-Advisor: RBC Global Asset Management (Asia) Limited, Hong Kong, China  
*(for the Asian equity portion of the Fund)*

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 10, 2022.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/en/ca](http://www.rbcgam.com/en/ca) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide capital growth and modest income by investing in a mix of Canadian stocks and fixed-income securities. The Fund may also invest in foreign securities.

The Fund is invested primarily in Canadian equities to provide capital growth and fixed-income securities to generate income. Blending equities and fixed-income securities in a single portfolio provides investors with exposure to the upside potential of equity capital markets while taking advantage of the stability and frequently offsetting risk profile of bonds.

The portfolio manager's analysis of the economic outlook and capital market valuations and prospects determines the portion of the portfolio that will be invested in stocks and bonds. The composition of the portfolio holdings is adjusted as economic and capital market conditions warrant.

The Fund's target weightings for each asset class are 40% for fixed income, 34% for Canadian equities, 13% for U.S. equities, 9% for international equities and 4% for emerging markets equities. The target weightings for each asset class may be adjusted based on changes in the market outlook for each asset class. The actual allocation to each class will be no more than 15% above or below the target weighting for the fixed-income asset class and no more than 10% above or below the target weighting for each equities asset class.

### Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

### Results of Operations

The Fund's net asset value rose to \$5.3 billion as of December 31, 2021, from \$5.1 billion at the end of 2020. The increase was due to investment returns, partially offset by net redemptions.

Over the past year, the Fund's Series A units gained 11.3%, which outperformed the 11.2% rise in the benchmark. The broad-based index 1 fell 2.5% and the broad-based index 2 rose 25.1%. The Fund's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The coronavirus was less disruptive to the global economy in 2021 than in 2020, with vaccinations at the beginning of the year leading to widespread economic reopenings in the U.S. and Europe by June.

Canada, which lagged other developing countries in delivering vaccines, was bolstered by rising oil prices until its economy reopened later in the summer. By the end of 2021, emerging markets had made progress with inoculations, but the late-year rise of a much more transmissible COVID-19 variant had businesses returning to at least partial lockdowns and left investors again wondering when the economy would return to normal.

The Fund's overweight position in equities and underweight position in fixed income had a positive impact on performance. Government bonds in most major markets had losses in 2021 after fixed-income yields surged from the record-low levels of 2020. The decline in the Canadian bond benchmark was the first since 2013 and was caused mainly by an overall rise in long-term yields due to expectations that inflation would climb in response to faster economic growth and supply-chain bottlenecks. In the second half of 2021, inflation in many regions surged to the fastest pace in decades, prompting the U.S. Federal Reserve (the "Fed") to abandon its narrative that inflation would be "transitory" and leading other major central banks to consider raising short-term interest rates. The Fed started scaling back asset purchases in November, and in December, doubled the pace of the reductions as a prelude to interest-rate hikes. The Bank of Canada stopped its own bond purchases in November given strength in labour and housing markets. The Fund's returns benefited from above-benchmark exposure to corporate and provincial bonds at the expense of Government of Canada fixed-income securities.

Stocks in many developed markets recorded extremely attractive returns, with the U.S., Europe and Canada posting gains exceeding 20%, and Japan about 14%. Emerging markets, however, registered losses, mainly because of the underperformance of Chinese stock markets amid regulatory crackdowns, energy shortages and a real-estate crisis sparked by the implosion of Evergrande Group, a residential developer. Even with the arrival of the latest coronavirus variant at year-end, many stock markets traded near record highs on optimism that 2022 would be the year that the coronavirus began to fade. Returns were bolstered significantly by security selection in Canadian equities.

### Recent Developments

Economic conditions and growth forecasts remain good by historical standards, but have moderated amid headwinds from the new coronavirus variant, the highest inflation in decades, supply-chain challenges and less monetary and fiscal support. Valuations for non-government bonds are near historical highs, leading the portfolio manager to believe that a more cautious investment approach is warranted.



Against the current backdrop of strong economic growth and high inflation, the portfolio manager expects that several major central banks will raise interest rates over the next year. Bond yields should gradually increase over 2022, but returns will be modest and insufficient to offset the impact of inflation. As a result, the Fund remains underweight fixed income. Stocks continue to offer the potential for better returns in today's environment of low interest rates, especially if earnings growth remains solid and investors remain optimistic. However, a weakening in technical indicators, slowing economic growth and the emergence of the new variant motivated the portfolio manager to reduce the Fund's equity overweight by another 50 basis points in the fourth quarter, with the proceeds placed in cash.

Effective April 11, 2022, all Advisor Series units with a deferred sales charge option will be re-designated as Series A units. Any redemption fees associated with such re-designations will be waived by RBC GAM.

Effective February 28, 2021, Ms. Catherine J. Kloepfer resigned as Vice Chair of the Independent Review Committee (the "IRC"). Effective March 22, 2021, Mr. Paul K. Bates was appointed as Vice Chair of the IRC. Effective April 1, 2021, Ms. Brenda Eaton was appointed as a member of the IRC.

#### **Related-Party Transactions**

##### ***Manager, Trustee and Portfolio Manager***

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund. Both the management fee and fixed administration fee are calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. RBC GAM, as trustee, earns a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders switch between series of funds denominated in different currencies. The Fund also maintains bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

##### ***Sub-Advisors***

RBC Global Asset Management (UK) Limited and RBC Global Asset Management (Asia) Limited are the sub-advisors and provide investment advice for the Fund. The sub-advisors earn a fee which is calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. The sub-advisors are paid by the manager from the management fee paid by the Fund.

##### ***Distributors***

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or may distribute certain series of units of, the Fund. Dealers may receive an ongoing commission based on the total value of their clients' investment in certain series of units of the Fund.

##### ***Registrars***

RBC GAM, RBC Investor Services Trust ("RBC IS") or Royal Bank (or a combination thereof) are the registrars of the Fund and keep records of who owns units of the Fund. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

##### ***Custodian***

RBC IS is the custodian and holds the assets of the Fund. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Fund.

##### ***Securities Lending Agent***

To the extent the Fund may engage in securities lending transactions, RBC IS may act as the Fund's securities lending agent. Any revenue earned on such securities lending is split between the Fund and the securities lending agent.

##### ***Brokers and Dealers***

The Fund has established standard brokerage and dealing agreements at market rates with related parties. For the periods ended December 31, 2021 and 2020, the related-party commissions were \$246,000 (2020 – \$150,000) or 24% (2020 – 13%) of the total transaction costs paid for this Fund.

##### ***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:



*Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

*Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements.

**Change in Net Assets Per Unit (\$)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Dec. 31, 2021</b>	<b>15.60</b>	<b>0.36</b>	<b>(0.35)</b>	<b>1.08</b>	<b>0.68</b>	<b>1.77</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.87)</b>	—	<b>(0.89)</b>	<b>16.47</b>
Dec. 31, 2020	14.64	0.47	(0.31)	0.61	0.42	1.19	—	(0.16)	(0.11)	—	(0.27)	15.60
Dec. 31, 2019	13.16	0.47	(0.31)	0.43	1.18	1.77	—	(0.16)	(0.09)	—	(0.25)	14.64
Dec. 31, 2018	14.28	0.36	(0.30)	0.59	(1.31)	(0.66)	—	(0.05)	(0.39)	—	(0.44)	13.16
Dec. 31, 2017	13.86	0.35	(0.31)	0.75	0.18	0.97	—	(0.04)	(0.52)	—	(0.56)	14.28
<b>Advisor Series</b>												
<b>Dec. 31, 2021</b>	<b>15.75</b>	<b>0.37</b>	<b>(0.37)</b>	<b>1.09</b>	<b>0.69</b>	<b>1.78</b>	<b>(0.01)</b>	—	<b>(0.88)</b>	—	<b>(0.89)</b>	<b>16.63</b>
Dec. 31, 2020	14.79	0.47	(0.32)	0.61	0.11	0.87	—	(0.16)	(0.11)	—	(0.27)	15.75
Dec. 31, 2019	13.28	0.47	(0.31)	0.43	1.18	1.77	—	(0.15)	(0.09)	—	(0.24)	14.79
Dec. 31, 2018	14.43	0.37	(0.31)	0.60	(1.33)	(0.67)	—	(0.06)	(0.39)	—	(0.45)	13.28
Dec. 31, 2017	14.01	0.35	(0.31)	0.76	0.19	0.99	—	(0.03)	(0.53)	—	(0.56)	14.43
<b>Series T5</b>												
<b>Dec. 31, 2021</b>	<b>12.96</b>	<b>0.30</b>	<b>(0.28)</b>	<b>0.88</b>	<b>0.58</b>	<b>1.48</b>	—	<b>(0.01)</b>	<b>(0.59)</b>	<b>(0.05)</b>	<b>(0.65)</b>	<b>13.75</b>
Dec. 31, 2020	12.57	0.39	(0.26)	0.52	0.35	1.00	—	(0.13)	(0.09)	(0.41)	(0.63)	12.96
Dec. 31, 2019	11.64	0.41	(0.27)	0.37	0.89	1.40	—	(0.06)	(0.07)	(0.45)	(0.58)	12.57
Dec. 31, 2018	12.87	0.32	(0.26)	0.52	(1.19)	(0.61)	—	(0.04)	(0.33)	(0.27)	(0.64)	11.64
Dec. 31, 2017	12.63	0.31	(0.27)	0.67	0.20	0.91	—	(0.03)	(0.52)	(0.08)	(0.63)	12.87
<b>Series T8</b>												
<b>Dec. 31, 2021</b>	<b>7.58</b>	<b>0.17</b>	<b>(0.16)</b>	<b>0.51</b>	<b>0.30</b>	<b>0.82</b>	—	—	<b>(0.41)</b>	<b>(0.20)</b>	<b>(0.61)</b>	<b>7.81</b>
Dec. 31, 2020	7.59	0.23	(0.15)	0.31	0.32	0.71	—	(0.08)	(0.06)	(0.47)	(0.61)	7.58
Dec. 31, 2019	7.23	0.25	(0.16)	0.23	0.60	0.92	—	(0.04)	(0.05)	(0.49)	(0.58)	7.59
Dec. 31, 2018	8.26	0.20	(0.17)	0.33	(0.75)	(0.39)	—	(0.03)	(0.19)	(0.44)	(0.66)	7.23
Dec. 31, 2017	8.35	0.20	(0.17)	0.44	0.04	0.51	—	(0.02)	(0.24)	(0.41)	(0.67)	8.26
<b>Series D</b>												
<b>Dec. 31, 2021</b>	<b>16.31</b>	<b>0.38</b>	<b>(0.23)</b>	<b>1.13</b>	<b>0.71</b>	<b>1.99</b>	<b>(0.04)</b>	<b>(0.03)</b>	<b>(0.91)</b>	<b>(0.01)</b>	<b>(0.99)</b>	<b>17.31</b>
Dec. 31, 2020	15.27	0.49	(0.20)	0.64	0.45	1.38	(0.01)	(0.26)	(0.11)	—	(0.38)	16.31
Dec. 31, 2019	13.73	0.49	(0.20)	0.45	1.19	1.93	—	(0.29)	(0.10)	—	(0.39)	15.27
Dec. 31, 2018	14.89	0.38	(0.19)	0.62	(1.39)	(0.58)	—	(0.16)	(0.41)	—	(0.57)	13.73
Dec. 31, 2017	14.41	0.37	(0.20)	0.78	0.18	1.13	—	(0.13)	(0.54)	—	(0.67)	14.89
<b>Series F</b>												
<b>Dec. 31, 2021</b>	<b>17.27</b>	<b>0.40</b>	<b>(0.19)</b>	<b>1.20</b>	<b>0.74</b>	<b>2.15</b>	<b>(0.05)</b>	<b>(0.05)</b>	<b>(0.96)</b>	<b>(0.01)</b>	<b>(1.07)</b>	<b>18.35</b>
Dec. 31, 2020	16.16	0.52	(0.17)	0.68	0.49	1.52	(0.01)	(0.30)	(0.12)	—	(0.43)	17.27
Dec. 31, 2019	14.52	0.51	(0.16)	0.48	1.19	2.02	—	(0.36)	(0.10)	—	(0.46)	16.16
Dec. 31, 2018	15.74	0.40	(0.16)	0.66	(1.51)	(0.61)	—	(0.20)	(0.43)	—	(0.63)	14.52
Dec. 31, 2017	15.23	0.39	(0.17)	0.83	0.22	1.27	—	(0.16)	(0.58)	—	(0.74)	15.74



**FINANCIAL HIGHLIGHTS (cont.)**

**Change in Net Assets Per Unit (\$) (cont.)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		Total
<b>Series I</b>												
<b>Dec. 31, 2021</b>	<b>17.97</b>	<b>0.42</b>	<b>(0.05)</b>	<b>1.25</b>	<b>0.79</b>	<b>2.41</b>	<b>(0.09)</b>	<b>(0.08)</b>	<b>(1.01)</b>	<b>(0.01)</b>	<b>(1.19)</b>	<b>19.19</b>
Dec. 31, 2020	16.79	0.54	(0.07)	0.71	0.53	1.71	(0.01)	(0.40)	(0.12)	–	(0.53)	17.97
Dec. 31, 2019	15.09	0.53	(0.07)	0.49	1.32	2.27	–	(0.47)	(0.10)	–	(0.57)	16.79
Dec. 31, 2018	16.33	0.42	(0.07)	0.68	(1.53)	(0.50)	(0.01)	(0.28)	(0.45)	–	(0.74)	15.09
Dec. 31, 2017	15.78	0.40	(0.07)	0.86	0.20	1.39	–	(0.25)	(0.60)	–	(0.85)	16.33
<b>Series O</b>												
<b>Dec. 31, 2021</b>	<b>17.52</b>	<b>0.41</b>	<b>–</b>	<b>1.22</b>	<b>0.76</b>	<b>2.39</b>	<b>(0.09)</b>	<b>(0.08)</b>	<b>(0.99)</b>	<b>(0.02)</b>	<b>(1.18)</b>	<b>18.72</b>
Dec. 31, 2020	16.36	0.52	–	0.69	0.55	1.76	(0.01)	(0.44)	(0.12)	–	(0.57)	17.52
Dec. 31, 2019	14.70	0.52	–	0.48	1.28	2.28	–	(0.52)	(0.10)	–	(0.62)	16.36
Dec. 31, 2018	15.91	0.41	–	0.66	(1.51)	(0.44)	(0.01)	(0.33)	(0.44)	–	(0.78)	14.70
Dec. 31, 2017	15.36	0.39	–	0.84	0.19	1.42	–	(0.30)	(0.58)	–	(0.88)	15.91

<sup>1</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>2</sup> Distributions are reinvested in additional units of the Fund or paid in cash.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Dec. 31, 2021</b>	<b>16.47</b>	<b>4 253 403</b>	<b>258 194</b>	<b>2.16</b>	<b>2.16</b>	<b>30.01</b>	<b>0.03</b>
Dec. 31, 2020	15.60	4 207 743	269 755	2.16	2.16	32.53	0.03
Dec. 31, 2019	14.64	4 236 858	289 344	2.16	2.16	23.13	0.03
Dec. 31, 2018	13.16	4 230 235	321 540	2.15	2.15	28.35	0.03
Dec. 31, 2017	14.28	5 063 830	354 559	2.16	2.16	29.14	0.04
<b>Advisor Series</b>							
<b>Dec. 31, 2021</b>	<b>16.63</b>	<b>3 120</b>	<b>188</b>	<b>2.21</b>	<b>2.21</b>	<b>30.01</b>	<b>0.03</b>
Dec. 31, 2020	15.75	3 447	219	2.18	2.18	32.53	0.03
Dec. 31, 2019	14.79	15 957	1 079	2.18	2.18	23.13	0.03
Dec. 31, 2018	13.28	14 433	1 086	2.17	2.17	28.35	0.03
Dec. 31, 2017	14.43	17 160	1 190	2.18	2.18	29.14	0.04
<b>Series T5</b>							
<b>Dec. 31, 2021</b>	<b>13.75</b>	<b>1 635</b>	<b>119</b>	<b>2.10</b>	<b>2.10</b>	<b>30.01</b>	<b>0.03</b>
Dec. 31, 2020	12.96	2 080	160	2.11	2.11	32.53	0.03
Dec. 31, 2019	12.57	1 859	148	2.15	2.15	23.13	0.03
Dec. 31, 2018	11.64	1 219	105	2.13	2.13	28.35	0.03
Dec. 31, 2017	12.87	1 195	93	2.15	2.15	29.14	0.04



**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data (cont.)**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series T8</b>							
<b>Dec. 31, 2021</b>	<b>7.81</b>	<b>3 422</b>	<b>438</b>	<b>2.12</b>	<b>2.12</b>	<b>30.01</b>	<b>0.03</b>
Dec. 31, 2020	7.58	2 952	389	2.11	2.11	32.53	0.03
Dec. 31, 2019	7.59	2 380	314	2.12	2.12	23.13	0.03
Dec. 31, 2018	7.23	2 085	288	2.10	2.10	28.35	0.03
Dec. 31, 2017	8.26	2 596	314	2.11	2.11	29.14	0.04
<b>Series D</b>							
<b>Dec. 31, 2021</b>	<b>17.31</b>	<b>163 202</b>	<b>9 429</b>	<b>1.33</b>	<b>1.33</b>	<b>30.01</b>	<b>0.03</b>
Dec. 31, 2020	16.31	138 806	8 511	1.33	1.33	32.53	0.03
Dec. 31, 2019	15.27	130 949	8 573	1.33	1.33	23.13	0.03
Dec. 31, 2018	13.73	117 000	8 522	1.33	1.33	28.35	0.03
Dec. 31, 2017	14.89	125 541	8 432	1.33	1.33	29.14	0.04
<b>Series F</b>							
<b>Dec. 31, 2021</b>	<b>18.35</b>	<b>463 775</b>	<b>25 269</b>	<b>1.05</b>	<b>1.05</b>	<b>30.01</b>	<b>0.03</b>
Dec. 31, 2020	17.27	386 581	22 390	1.05	1.05	32.53	0.03
Dec. 31, 2019	16.16	356 270	22 052	1.05	1.05	23.13	0.03
Dec. 31, 2018	14.52	269 945	18 587	1.05	1.05	28.35	0.03
Dec. 31, 2017	15.74	193 873	12 321	1.06	1.06	29.14	0.04
<b>Series I</b>							
<b>Dec. 31, 2021</b>	<b>19.19</b>	<b>295 161</b>	<b>15 385</b>	<b>0.25</b>	<b>0.25</b>	<b>30.01</b>	<b>0.03</b>
Dec. 31, 2020	17.97	266 964	14 853	0.42	0.42	32.53	0.03
Dec. 31, 2019	16.79	251 478	14 977	0.42	0.42	23.13	0.03
Dec. 31, 2018	15.09	225 068	14 918	0.42	0.42	28.35	0.03
Dec. 31, 2017	16.33	242 039	14 823	0.42	0.42	29.14	0.04
<b>Series O</b>							
<b>Dec. 31, 2021</b>	<b>18.72</b>	<b>91 317</b>	<b>4 877</b>	<b>0.03</b>	<b>0.03</b>	<b>30.01</b>	<b>0.03</b>
Dec. 31, 2020	17.52	80 827	4 614	0.03	0.03	32.53	0.03
Dec. 31, 2019	16.36	74 473	4 553	0.03	0.03	23.13	0.03
Dec. 31, 2018	14.70	61 758	4 200	0.03	0.03	28.35	0.03
Dec. 31, 2017	15.91	62 877	3 953	0.03	0.03	29.14	0.04

<sup>1</sup> The management expense ratio ("MER") is based on the direct expenses charged to the Fund and the Fund's proportionate share of the expenses of underlying funds, if any, for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover rate is not applicable to money market funds.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and the Fund's proportionate share of such costs of underlying funds expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

Effective January 1, 2021, the management fees for Series I units were reduced to 0.20% from 0.35%.



**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees and Administration Fees**

Management fees and administration fees of each series of the Fund are payable to RBC GAM and calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The management fee, breakdown of services received in consideration of the management fee, as a percentage of the management fee, and the administration fee for each series are as follows:

	Management Fees*	Breakdown of Services		Administration Fees
		Distribution	Other†	
Series A	1.85%	54%	46%	0.10%
Advisor Series	1.85%	54%	46%	0.10%
Series T5	1.85%	54%	46%	0.10%
Series T8	1.85%	54%	46%	0.10%
Series D	1.10%	23%	77%	0.10%
Series F	0.85%	–	100%	0.10%
Series I	0.20%	–	100%	0.02%
Series O	n/a	n/a	n/a	0.02%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

\* Effective January 1, 2021, the management fees for Series I units were reduced to 0.20% from 0.35%.

† Includes all costs related to management, trustee, investment advisory services, general administration and profit.

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

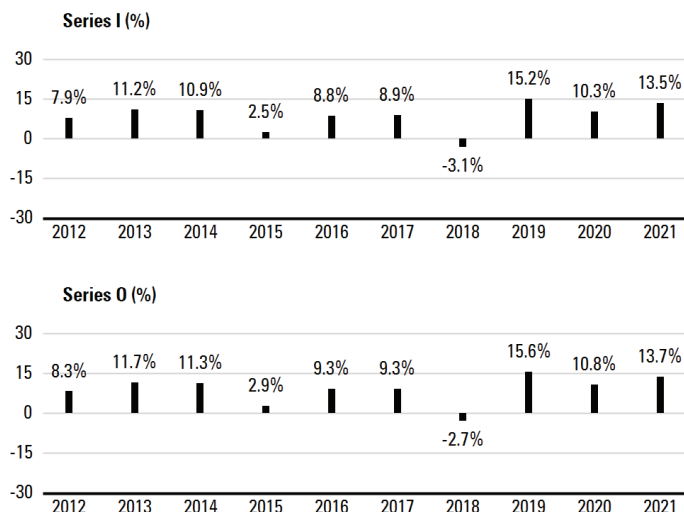
The bar chart indicates the Fund’s performance for each of the years shown, and illustrates how the Fund’s performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.







PAST PERFORMANCE (cont.)



Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on December 31, 2021, compared with the following benchmarks:

The benchmark is composed of:

- 35% FTSE Canada All Government Bond Index
- 34% S&P/TSX Capped Composite Total Return Index
- 13% S&P 500 Total Return Index (CAD)
- 9% MSCI EAFE Total Return Net Index (CAD)
- 5% FTSE Canada All Corporate Bond Index
- 4% MSCI Emerging Markets Total Return Net Index (CAD)

The broad-based indexes are as follows:

- Broad-based index 1 – FTSE Canada Universe Bond Index
- Broad-based index 2 – S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	11.3	11.0	6.9	6.6	–
Benchmark	11.2	12.0	8.2	8.2	–
Broad-based index 1	-2.5	4.2	3.3	3.3	–
Broad-based index 2	25.1	17.5	10.0	9.1	–
Advisor Series	11.3	10.9	6.8	6.5	–
Benchmark	11.2	12.0	8.2	8.2	–
Broad-based index 1	-2.5	4.2	3.3	3.3	–
Broad-based index 2	25.1	17.5	10.0	9.1	–
Series T5	11.4	11.0	6.9	–	6.6
Benchmark	11.2	12.0	8.2	–	8.2
Broad-based index 1	-2.5	4.2	3.3	–	3.2
Broad-based index 2	25.1	17.5	10.0	–	9.3

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series T8	11.4	11.0	6.9	6.6	–
Benchmark	11.2	12.0	8.2	8.2	–
Broad-based index 1	-2.5	4.2	3.3	3.3	–
Broad-based index 2	25.1	17.5	10.0	9.1	–
Series D	12.3	11.9	7.7	7.4	–
Benchmark	11.2	12.0	8.2	8.2	–
Broad-based index 1	-2.5	4.2	3.3	3.3	–
Broad-based index 2	25.1	17.5	10.0	9.1	–
Series F	12.6	12.2	8.0	7.7	–
Benchmark	11.2	12.0	8.2	8.2	–
Broad-based index 1	-2.5	4.2	3.3	3.3	–
Broad-based index 2	25.1	17.5	10.0	9.1	–
Series I	13.5	13.0	8.8	8.5	–
Benchmark	11.2	12.0	8.2	8.2	–
Broad-based index 1	-2.5	4.2	3.3	3.3	–
Broad-based index 2	25.1	17.5	10.0	9.1	–
Series O	13.7	13.4	9.1	8.9	–
Benchmark	11.2	12.0	8.2	8.2	–
Broad-based index 1	-2.5	4.2	3.3	3.3	–
Broad-based index 2	25.1	17.5	10.0	9.1	–

The returns of each series may vary because of differences in management fees and expenses. Benchmark and/or broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to benchmark and/or broad-based indexes.

Series T5 units have been available for sale to unitholders since September 24, 2012.

Inception dates are not provided for series that have been in existence for more than 10 years.

Advisor Series units were capped effective June 26, 2020. Advisor Series units with initial sales charge and/or low-load sales charge options were re-designated as Series A units effective August 4, 2020.

INDEX DESCRIPTIONS

**FTSE Canada All Government Bond Index** This index is a broad measure of the performance of bonds issued by or backed by the federal government, the provinces and municipalities. The index includes bonds with terms to maturity of at least one year.

**S&P/TSX Capped Composite Total Return Index** This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

**S&P 500 Total Return Index (CAD)** This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

**MSCI EAFE Total Return Net Index (CAD)** This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

**FTSE Canada All Corporate Bond Index** This index is a broad measure of the performance of investment-grade Canadian bonds issued by corporations. The index includes bonds with terms to maturity of at least one year.

**MSCI Emerging Markets Total Return Net Index (CAD)** This index is a broad measure of the Canadian dollar performance of emerging-market equities. As of May 2010, the index consisted of the following 21 emerging-market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

**FTSE Canada Universe Bond Index** This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.



## SUMMARY OF INVESTMENT PORTFOLIO

*(after consideration of derivative products, if any)*

*As at December 31, 2021*

### Investment Mix

	% of Net Asset Value
Canadian Equities	34.7
Canadian Bonds	32.0
United States Equities	13.3
International Equities	8.7
Underlying Funds	8.2
Foreign Bonds	0.4
Cash/Other	2.7

### Top 25 Holdings

	% of Net Asset Value
RBC Emerging Markets Equity Fund - Series O	2.8
Royal Bank of Canada	2.3
Shopify Inc., Class A	2.3
Toronto-Dominion Bank	2.2
Brookfield Asset Management Inc., Class A	1.4
Bank of Nova Scotia	1.3
RBC Canadian Small & Mid-Cap Resources Fund - Series O	1.2
Canadian National Railway Co.	1.2
Enbridge Inc.	1.2
Government of Canada 0.250% Mar 1 2026	1.0
Bank of Montreal	1.0
Province of Ontario 1.900% Dec 2 2051	1.0
RBC Canadian Core Real Estate Fund - Series N	1.0
Canadian Pacific Railway Ltd.	1.0
Apple Inc.	1.0
Province of Ontario 1.050% Sep 8 2027	0.9
Province of Ontario 3.450% Jun 2 2045	0.9
RBC U.S. Mid-Cap Growth Equity Fund - Series O	0.9
Microsoft Corp.	0.9
Province of Quebec 3.000% Sep 1 2023	0.8
Canadian Natural Resources Ltd.	0.8
Province of Ontario 1.750% Sep 8 2025	0.8
Canadian Imperial Bank of Commerce	0.8
Government of Canada 1.250% Jun 1 2030	0.8
The S&P 500 Mini Index Future, March 2022	(1.8)
<b>Top 25 Holdings</b>	<b>27.7</b>

The Fund may use futures contracts as an asset substitution or as a way to reduce interest-rate risk.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/en/ca](http://www.rbcgam.com/en/ca).

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at [www.sedar.com](http://www.sedar.com).