



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	5,133.7
Series A NAV \$	14.35
Series A MER %	2.15
Benchmark	40% FTSE Canada All Gov't 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) 5% FTSE Canada All Corp Bond Index 3% MSCI EM Total Return Net Index (CAD)

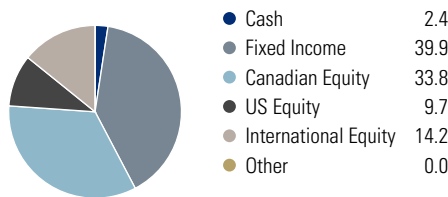
Income Distribution	Quarterly
Capital Gains Distribution	Annually
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Neutral Balanced
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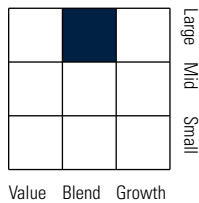
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of June 30, 2019

Asset Mix



Equity Style



Top 5 Sectors

Sector	% Equity
Financials	27.8
Energy	12.2
Industrials	11.0
Information Technology	8.6
Materials	8.2

Fixed Income Breakdown

Category	%
Govt. Bonds	70.5
Corp. Bonds	24.2
Other Bonds	0.0
MBS	0.0
Cash & Other	5.3
ABS	0.0

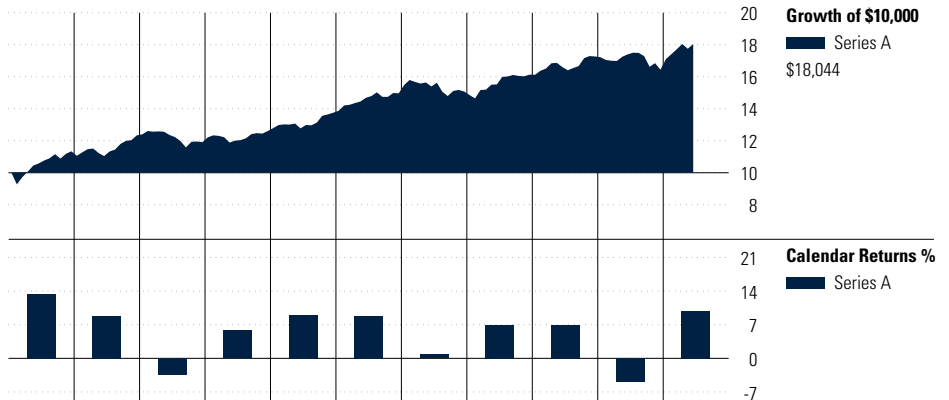
Characteristics

Characteristic	%
Avg. Term to maturity (Yrs)	11.2
Modified Duration (Yrs)	8.3
Yield to Maturity	2.2

Top 25 Holdings

Holder	% Assets
RBC Emerging Markets Equity Fund O	3.8
Royal Bank of Canada	2.3
The Toronto-Dominion Bank	2.2
Canada (Government of) 2.75% 01-12-2048	2.0
Canada (Government of) 0.75% 01-09-2021	1.6
Bank of Nova Scotia	1.5
Enbridge Inc	1.3
Canadian National Railway Co	1.3
Ontario (Province Of) 4.65% 02-06-2041	1.2
Ontario (Province Of) 4.6% 02-06-2039	1.2
Suncor Energy Inc	1.2
Hydro Quebec 6.5% 15-02-2035	1.1
Brookfield Asset Mgmt Inc Cl A	1.0
Ontario (Province Of) 4.7% 02-06-2037	1.0
Canada (Government of) 0.5% 01-03-2022	1.0
Ontario (Province Of) 2.85% 02-06-2023	0.9
TC Energy Corp	0.9
RBC Canadian Small & Mid-Cap Resources O	0.9
Ontario (Province Of) 3.45% 02-06-2045	0.9
Ontario (Province Of) 2.6% 02-06-2027	0.9
Quebec (Province Of) 3% 01-09-2023	0.9
Ontario (Province Of) 3.15% 02-06-2022	0.9
Ontario (Province Of) 2.6% 02-06-2025	0.9
Bank of Montreal	0.9
Canadian Pacific Railway Ltd	0.8
Total % of Top 25 Holdings	32.7
Total Number of Portfolio Holdings	621
Total Number of Stock Holdings	859
Total Number of Bond Holdings	331
Total Number of Other Holdings	27
Total Number of Underlying Holdings	1,217

Performance Analysis as of June 30, 2019



Year	Calendar Returns %	Fund Quartile
2009	13.4	4 th
2010	8.8	3 rd
2011	-3.5	4 th
2012	5.8	3 rd
2013	9.1	3 rd
2014	8.8	2 nd
2015	0.8	3 rd
2016	7.0	3 rd
2017	7.0	2 nd
2018	-4.8	3 rd
YTD	9.8	2 nd

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	1.7	1.8	9.8	3.7	5.1	4.2	5.5	6.3	Fund
Quartile	2 nd	3 rd	2 nd	3 rd	2 nd	2 nd	3 rd	—	Quartile
No. of Funds in Category	692	690	684	654	588	440	168	—	No. of Funds in Category



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.

As Head of Global Fixed Income and Currencies, Dagmara leads investment teams in Toronto, London and Minneapolis in charge of almost \$100 billion in fixed income assets. She heads management of several bond funds and manages foreign-exchange hedging and active currency overlay programs across a number of funds. Dagmara, who began her investment career in 1994, holds an MBA from the Richard Ivey School of Business, a Master's degree in economics from the University of Lodz in Poland and is a CFA charterholder.

Performance Analysis Cont'd as of June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.09	0.44	0.56	0.23	0.39	0.57	0.54	0.17	0.08	—	—
Interest	0.09	0.00	—	—	0.00	—	—	—	—	—	—
Dividends	—	0.06	0.03	0.11	0.12	0.06	0.02	0.05	—	—	—
Capital Gains	—	0.39	0.52	0.12	0.27	0.50	0.52	0.12	0.08	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	7-1997	25.4	3-2006	15.7	8-2000	12.2	9-2005	7.5
Worst	2-2009	-23.3	2-2009	-5.8	5-2012	-1.0	8-2010	2.3
Average		5.9		5.6		5.3		4.9
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.

Commentary as at June 30, 2019

The economic backdrop continued to deteriorate during the first half of 2019 as weaker growth in Europe and emerging markets offset a solid expansion in North America. In Europe, Italy faced demands to get a handle on its debt and budget deficit, and President Trump ramped up pressure on Iran, pursued an aggressive stance on trade toward China and threatened to impose tariffs on Mexico. The U.S. Federal Reserve acknowledged these threats to the outlook with a willingness to lower short-term interest rates in support of growth.

Government-bond prices rose as investors sought safe-haven assets in reaction to the macroeconomic uncertainty. The yield on the U.S. 10-year government bond fell to the lowest level since 2017 and a full percentage point below its 2018 high. In Japan and Germany, 10-year government-bond yields fell further into negative territory and the 10-year German-bund yield reached a record low.

Equities rebounded in all regions after significant

declines toward the end of 2018 lowered valuations to attractive levels and the weaker global expansion prompted speculation that the major central banks would provide more monetary stimulus, lending further support to valuations. The gains restored the S&P 500 Index to levels near all-time highs.

In the view of the portfolio manager, the risk of fixed-income losses is elevated in all regions. While bonds may deliver low or even negative total returns, stocks can generate single-digit to low-double-digit gains in an environment of moderate growth, low interest rates and low inflation. The near-term challenge for stocks is the fact that earnings growth has stalled as declining profit margins have offset stronger revenue growth. The portfolio manager continues to overweight stocks but recently shifted half a percentage point from the equity allocation into cash, moving further along the path of de-risking portfolios as the business cycle matures.



RBC Balanced Fund

Disclosure

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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.

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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).

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