

Insights

RBC Global Portfolios

Winter 2022



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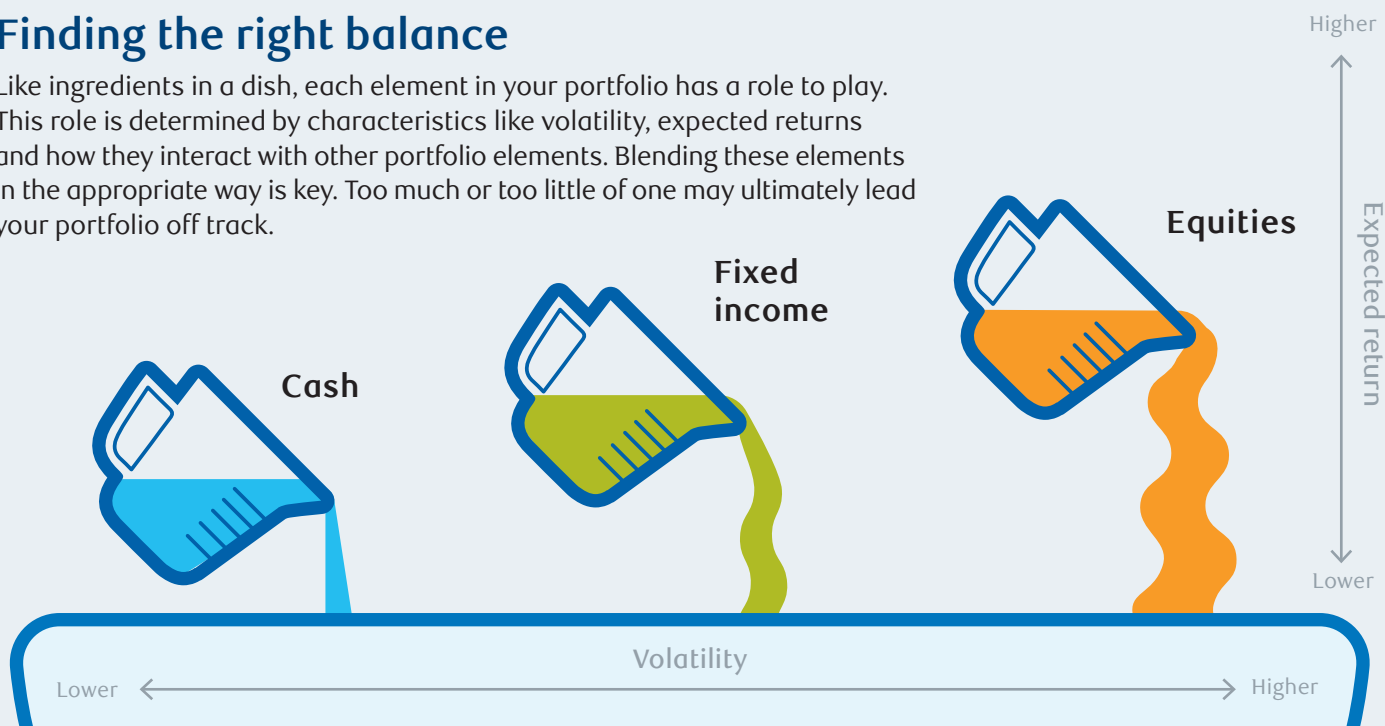


A recipe for investment success

There is an art to great cooking. Ingredients need to be carefully blended together to get it just right. Finding the balance in flavours differentiates a good meal from a great one. The same concept applies to your investment portfolio. A well-balanced portfolio can help you navigate rapidly changing markets which was key over the past year.

Finding the right balance

Like ingredients in a dish, each element in your portfolio has a role to play. This role is determined by characteristics like volatility, expected returns and how they interact with other portfolio elements. Blending these elements in the appropriate way is key. Too much or too little of one may ultimately lead your portfolio off track.



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Creating a well-balanced portfolio

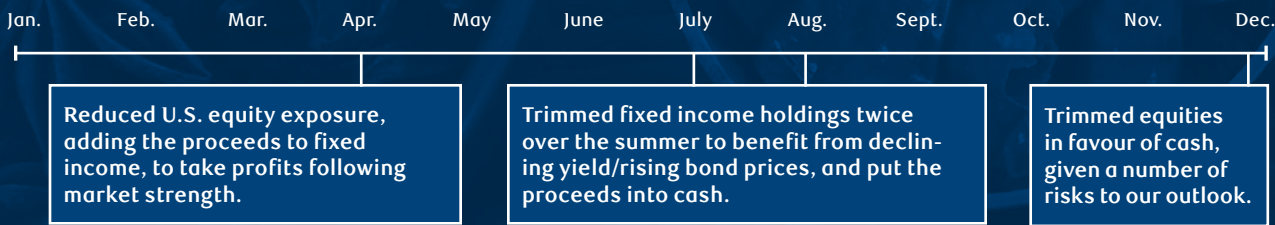
Much like a skilled chef balances flavours to create a well-rounded dish; RBC Global Asset Management (RBC GAM) combines elements in a portfolio to create a well-balanced investment. In this issue, we share our secret sauce to managing RBC Global Portfolios.

1. Actively managing the asset mix

Our active approach means your portfolio remains well-positioned and aligned with your tolerance for risk.

Some of the ways we do this include:

- **Active daily management:** we use daily cash flows to help manage portfolio drift and keep trading costs low.
- **Tactical asset allocation:** we tactically adjusted RBC Global Portfolios four times this year to add value and take advantage of changing market conditions.



2. Incorporating our daily insights

When you invest in RBC Global Portfolios, you are investing with RBC GAM. This means your portfolio is built using high quality funds that incorporate daily insights and expertise of over 350 investment professionals globally.

24

investment teams in key markets

4

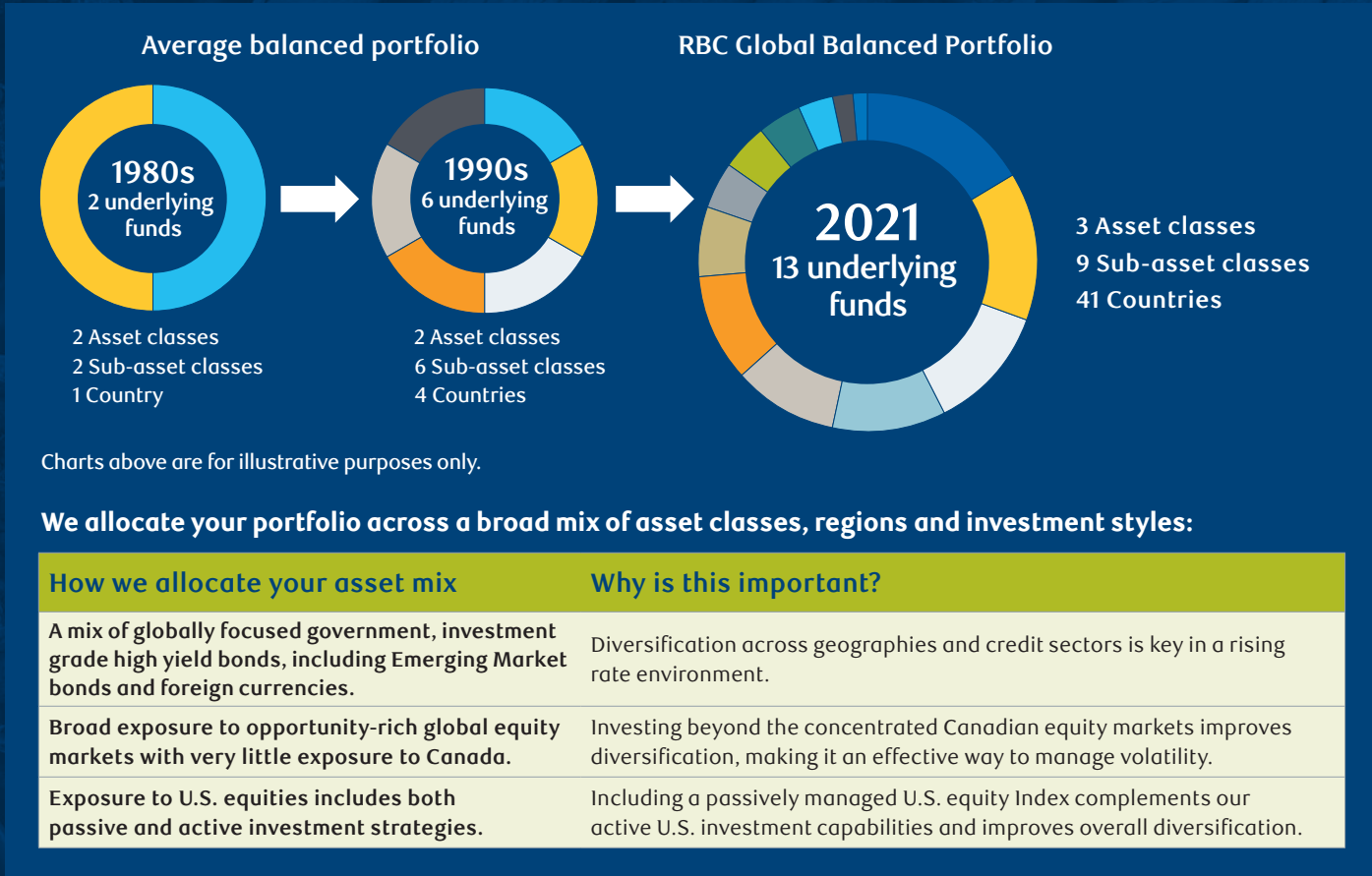
specialty research and development teams

7

offices on 3 continents

3. Keeping your portfolio current

Just like tastes have evolved over time, so too have investment markets. We manage your portfolio to keep it effectively diversified for today’s markets and well-positioned over the long-term.



Helping you maintain balance in 2022

The diversified nature of your investment combined with our global expertise has kept your portfolio well-positioned over the past year. This approach will remain key in the year ahead as the world continues to navigate moderating economic growth, fading stimulus and potential virus variant flare ups.

Our goal is to keep you well balanced and on track towards achieving your long-term financial goals.

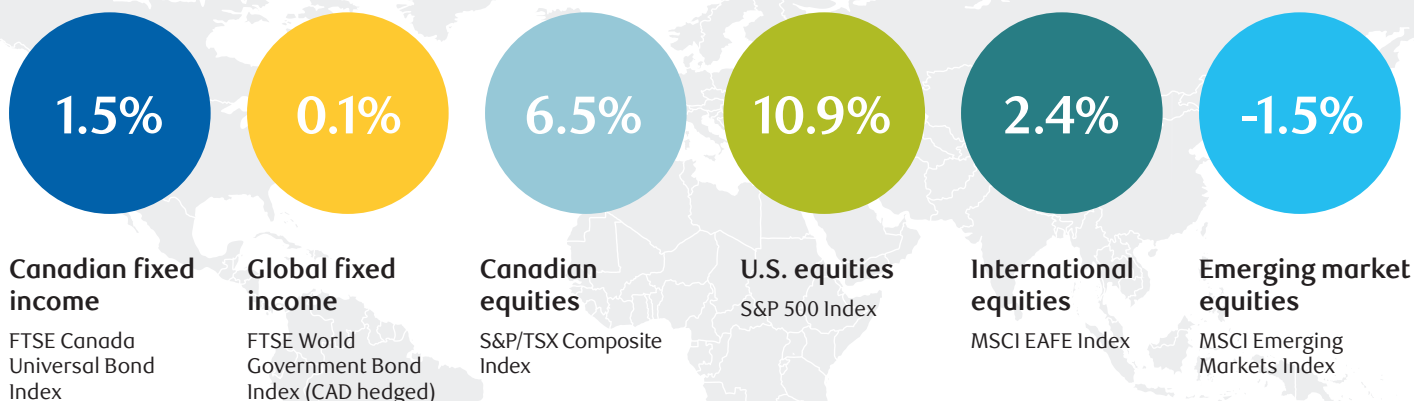


Portfolio manager viewpoint

Sarah Riopelle, CFA , Vice President & Senior Portfolio Manager, Investment Solutions

Economic conditions and our growth forecasts remain good by historical standards, but have moderated amid headwinds from the new coronavirus variant, high inflation, supply chain challenges and less monetary and fiscal support. Bond yields declined toward the end of the year as growth slowed and concerns mounted about the Omicron variant. We expect yields to gradually increase with an upward adjustment in real interest rates, resulting in low or slightly negative returns on bonds. We remain underweight fixed income as a result. Stocks continue to offer better return potential in a low interest rate and normal inflation environment, especially if earnings growth remains solid and investors remain optimistic to support demanding valuations. However, a weakening in technical indicators, slowing growth, and the threat of the new Omicron virus variant have motivated us to reduce our equity overweight by another 50 basis points this quarter, placing the proceeds into cash.

Markets this quarter¹



For the complete New Year 2022 Global Investment Outlook, please visit rbcgam.com/gio

¹All returns are in C\$ except where indicated. Canadian, U.S., International and Emerging Markets index returns are total returns. An investment cannot be made directly into an index. The above does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results.

We thank you for your ongoing trust in continuing to hold RBC Global Portfolios as part of your investment plan. If you have any questions or comments, please contact us or your advisor.

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