

Insights

RBC Portfolio Solutions

Spring 2022



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Behind the scenes with your Portfolio Solutions team

As an investor in RBC Portfolio Solutions, you have a dedicated team managing your portfolio on a daily basis. When market-moving events, such as the war in Ukraine and the COVID crisis arise, the team, along with other investment experts at RBC Global Asset Management are already digging beyond the headlines to understand the effect on global markets and your portfolio.

This quarter's Insights gives you a glimpse into what people behind your portfolio do every day to effectively manage your investment.


Actively managed around the clock

 **350+**
investment professionals

\$160B+ 
assets under management
by the Portfolio Solutions team
as of February 28, 2022

250+ 
years of combined
investment experience
of RBC Investment Strategy
Committee members

 **22**
investment teams globally

 **35+** years of asset allocation experience



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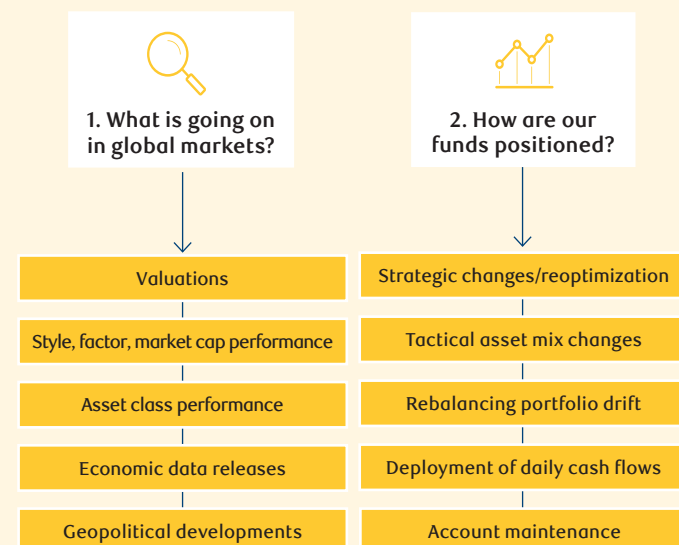
24 Hours with the Portfolio Solutions team

Many people contribute to the management of your portfolio every day. At the centre of it all is Sarah Riopelle, Vice President and Senior Portfolio Manager, Investment Solutions.

Pre-market: The first cup of coffee

Like many of us, Sarah starts her day with a cup of coffee. It's a few hours before the market's opening bell, making it the perfect time to prepare for the day and go over her daily decision making ritual.

Daily decision process: Key things to consider



Markets open: The next cup of coffee

What is going on in global markets?

Inflation, rising rates and geopolitical tensions are all on our minds. To stay on top of it all, Sarah talks to RBC GAM's asset class and regional experts around the globe. A typical morning can look something like this:

9:30AM: Review economic outlook
Eric Lascelles, Chief Economist – phone call

10:30AM: Analyze bond markets
Dagmara Fijalkowski, Head of Global Fixed Income & Currencies; and BlueBay, U.K. Fixed Income team – video conference

11:00AM: Assess equity markets
Stu Kedwell, Co-head of North American Equities – virtual presentation

11:30 AM: Evaluate tactical asset mix
RBC Investment Policy Committee – video conference

How are our funds positioned?

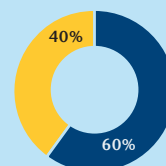
Market-moving events can naturally cause asset class weights to drift. Let's take a look at a sample balanced portfolio of stocks and bonds held for all of 2021.

Left to drift over the period, global equity outperformance led to a 4% overweight in stocks and a 4% underweight in bonds, shifting the asset mix and in turn the portfolio's risk level.

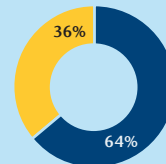
Your portfolio solutions team keeps a watchful eye on your asset mix, rebalancing as needed, to ensure your portfolio is well-positioned through all conditions.

For illustrative purposes only. Morningstar Direct. Fixed Income: 38% FTSE Canada Universe Bond Index, Cash: 2% FTSE Canada 30 Day TBill Index; Equities: 15% S&P/TSX Composite Total Return Index, 25%: S&P 500 Total Return Index (CAD), 20% MSCI EAFE Index (CAD).

January 1, 2021:
Asset mix on target



December 31, 2021:
Asset mix drifts amid global equity strength



■ Equities
■ Cash and fixed income

After hours: Global markets never sleep

With offices in key markets across the world, you can be sure that your portfolio is managed around the clock. It may be time to do more economic research, review how Asian markets are trading or connect with a global colleague to discuss emerging market trends. After all, the opening bell is always ringing somewhere.



Helping you achieve your goals

The speed and volume of information in global markets amplify the complexities when investing. Starting each day by assessing market conditions and reviewing how the funds are positioned, Sarah and her team are able to sift through the noise to effectively manage portfolios. Their disciplined, yet nimble approach keeps your portfolio well-positioned and on track towards meeting your investment goals.

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Global Investment Outlook:

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#MacroMemo:

A timely update of the global economy.

The monthly brief:

Market updates, videos and podcasts.

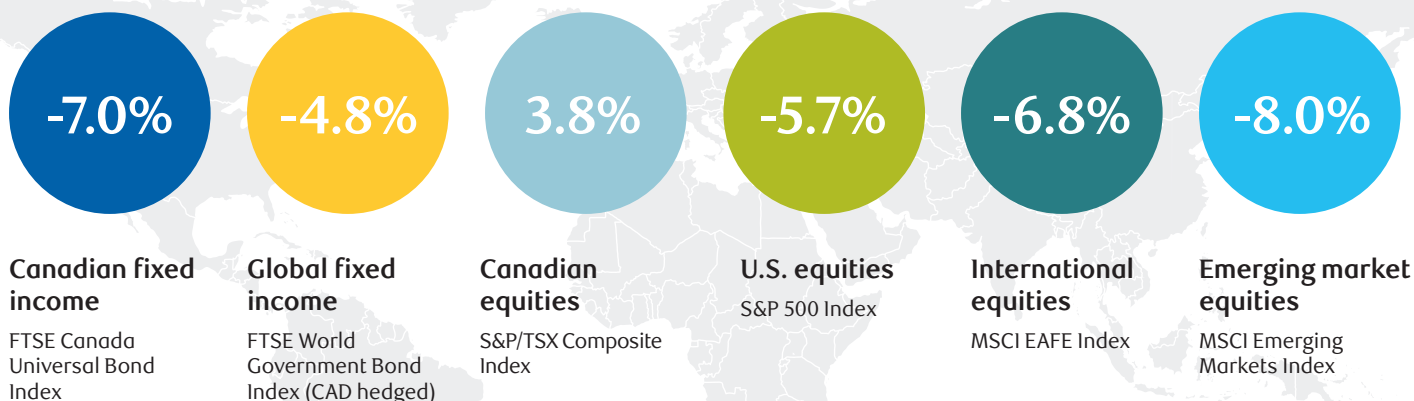


Portfolio manager viewpoint

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

Higher interest-rates, slowing growth in China, reduced U.S. government spending and elevated inflation were already working to undermine the economic expansion as the Ukraine conflict began. Our growth forecasts for 2022 were downgraded and remain below the consensus to reflect these risks. Bond yields rose sharply to start 2022 but war-related concerns have partially offset the move. We expect higher nominal yields over the longer term, consistent with lower sovereign-bond returns. For this reason, we remain underweight fixed income. Stocks continue to offer better return potential especially if earnings growth remains solid. Our base case is for continued economic expansion, a peak in inflation by year end and appropriate central-bank tightening although we recognize the range of potential outcomes is unusually wide.

Markets this quarter¹



For our complete Spring 2022 Global Investment Outlook, please visit rbcgam.com/gio

¹Source: Bloomberg. As of March 31, 2022. All 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 Portfolio Solutions as part of your investment plan. If you have any questions or comments, please contact us or your advisor.

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