

# Insights

## RBC Select Portfolios

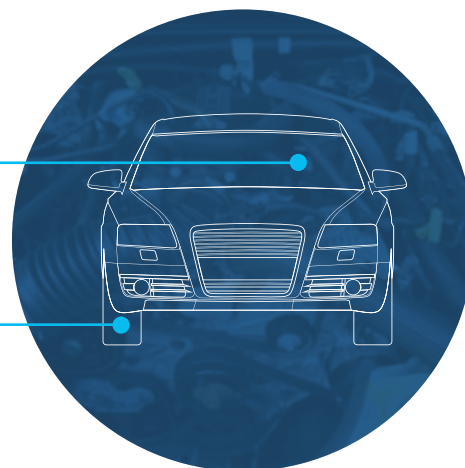
Summer 2019 edition



28217 (07/2019)

## What's driving your portfolio?

Ever wonder how RBC Select Portfolios continue to help Canadians reach their investment goals? Explore what's under the hood on page 2.



## Did you know?



1.5 million

The number of Canadians choosing RBC Select Portfolios to help them reach their financial goals



48 countries

The number of countries in which RBC Select Portfolios are invested



22 teams

The number of investment teams globally that help manage RBC Select Portfolios

## Looking for investment insights?

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# UNDER the HOOD:

## RBC Select Portfolios

Have you ever noticed how many complex things we use in our day-to-day lives? Take a car, for example. With the push of a button, it miraculously hums to life – but how many of us know what’s really going on underneath the hood?

The same can be said for RBC Select Portfolios. While simple and intuitive on the outside, your portfolio is built on a feature-rich platform that leverages all the skills and expertise RBC Global Asset Management has to offer, with the goal of delivering exceptional investment outcomes.

### Multi-fund structure

200+ investment professionals specialize in different regions and asset classes to deliver five portfolios – each one tuned for the needs of different investor profiles.

	Number of underlying funds	Strategic asset allocation
RBC Select Very Conservative Portfolio	20	
RBC Select Conservative Portfolio	24	
RBC Select Balanced Portfolio	30	
RBC Select Growth Portfolio	29	
RBC Select Aggressive Growth Portfolio	22	

● Fixed income ● Equity ● Cash

For illustrative purposes only, and subject to change over time.



### Strategic asset allocation

Strategic asset allocation is a lot like the engine of your portfolio. It can be considered the benchmark or “neutral” investment mix that anchors your portfolio through business and investment cycles.



### Active management

An active approach to asset allocation is an important way to add value in rapidly changing markets. As an active manager, we aim to outperform the portfolio’s benchmark by applying key strategies.



Fundamental, quantitative and technical research



### Disciplined process

We keep a watchful eye out for signs of investment risks and opportunities, whether markets are volatile or calm.

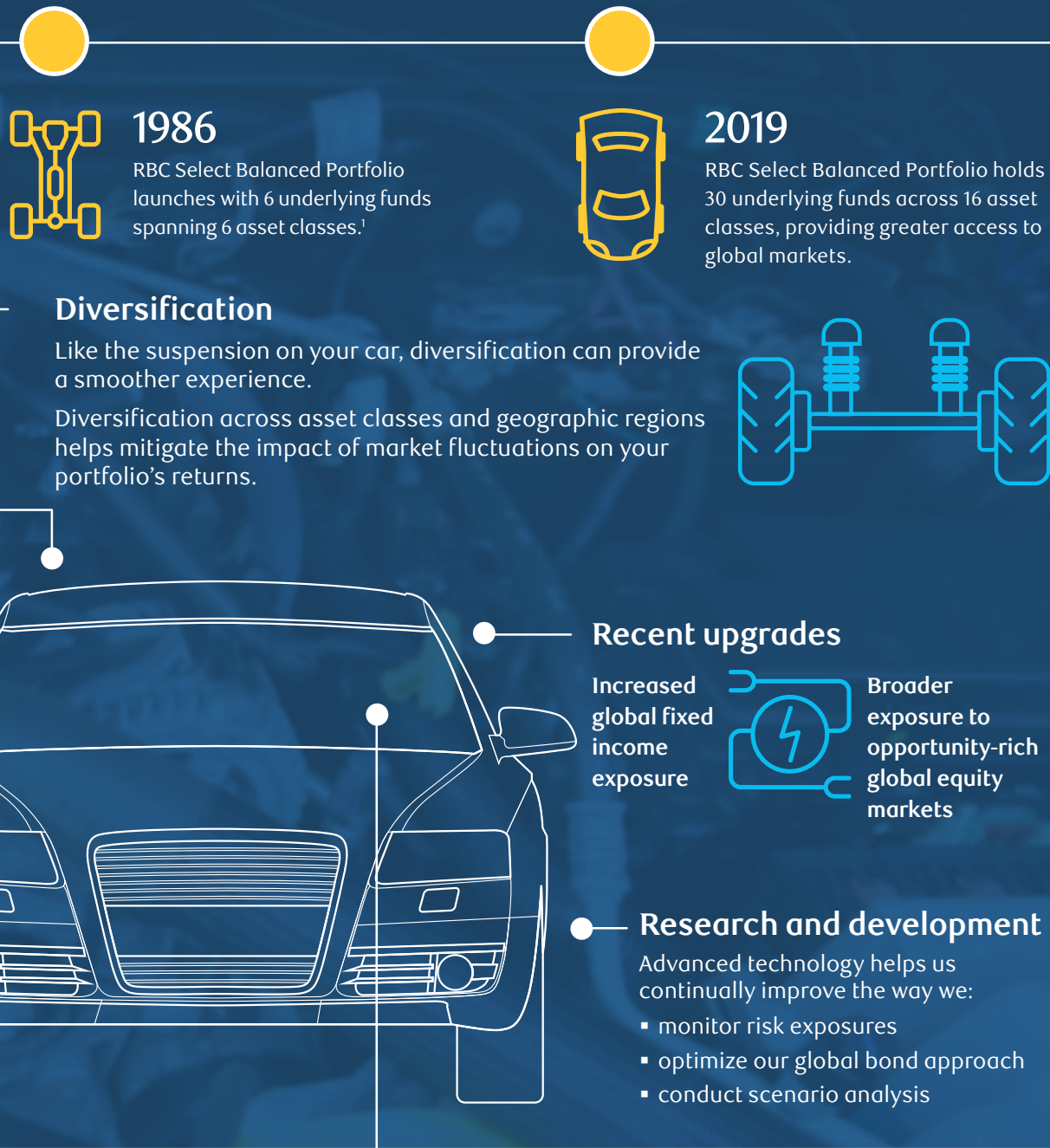
### Tactical asset allocation

Deviations from the strategic asset mix aim to position your portfolio for short-term market opportunities.



**RBC Global Asset Management Investment Strategy Committee (RISC):** Led by the Chief Investment Officer and made up of our senior investment professionals, RISC develops economic and market forecasts.

## Harnessing 30+ years of asset allocation experience



**RBC Investment Policy Committee (IPC):** Develops the tactical asset mix for your portfolio.



**Portfolio Solutions team:** Implements and monitors these strategies.

# 33

tactical asset mix changes over the past five years.

1. In 1986, RBC Select Balanced Portfolio was called RT Advantage Balanced Fund.



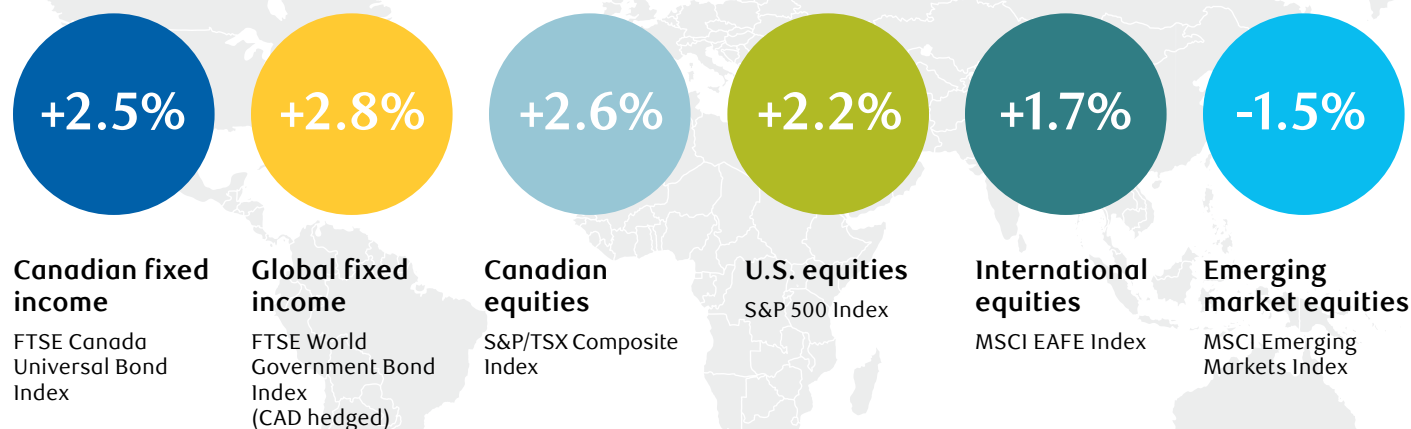


## Portfolio Manager viewpoint

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

The global economic backdrop is mixed, but weighing the positives and negatives suggests that the trajectory for global GDP is not that bad. The most significant risk is protectionism, but other threats stem from slowing Chinese growth and European politics (i.e. Brexit). Central banks have abandoned their prior tightening agendas and markets are pricing in the possibility of rate cuts. Government bond yields plunged to very low levels and our models suggest that the risk of fixed income losses is elevated. While bonds may deliver low or even negative returns, stocks can generate single- to low-double-digit gains in an environment of moderate growth, low interest rates and low inflation. Therefore, we continue to overweight stocks, but we recently shifted half a percentage point from our equity allocation into cash, moving further along the path of de-risking our portfolios as the business cycle matures.

### Markets this quarter



For the full Summer 2019 Global Investment Outlook, please visit [rbcgam.com/gio](http://rbcgam.com/gio)

All returns are in C\$ except where indicated. Canadian, U.S., MSCI EAFE and MSCI Emerging Markets index returns are total returns.

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

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RBC Global Asset Management



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