RBC Global Asset Management

Insights

RBC Global Portfolios

Winter 2026

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Packing for the long haul

Your RBC Global Portfolio is like a well-packed suitcase, full of carefully selected items with your specific destination in mind. As market conditions change, we adjust your packing list so that you are always well prepared and can arrive at your destination with confidence.

Bonds can help weather stormy periods

By providing stable income and lower volatility, bonds keep your portfolio steady during times of equity market volatility.

Diversifying your portfolio across different types of bonds
Our portfolios are designed to hold a mix of bonds, including sovereign, investment grade, high yield, and emerging markets bonds. We continuously ensure your portfolio is carefully balanced both across and within asset classes like bonds to navigate ever-changing market conditions.

Stocks are the primary drivers of long-term growth within your portfolio. However, this potential for higher returns comes with higher risk compared to bonds.

A data-driven approach to managing your portfolio
Investing around the world means keeping up with a wealth of information. Currency exchange rates, market valuations, interest rates, and more feed into our sophisticated, data-driven approach. We leverage extensive data resources, analyzed by our expert teams to extract actionable insights. This informs changes to our portfolio's positioning to help generate returns and mitigate risks.

Alternative investments like infrastructure make up a small part of your portfolio but play an important role.

Alternatives exhibit low correlations to stocks and bonds, which provides additional diversification benefits for a balanced portfolio. They can also enhance risk-adjusted returns as well as protect against inflation and interest rate changes.

Enhancing your portfolio's diversification with alternatives
Alternatives provide unique opportunities, but also have unique attributes. We carefully evaluate the risk-return characteristics, complexity, liquidity and costs of alternative investments to ensure the right fit.

Adjusting your packing list

Travel can be unpredictable, and it's important to prepare for contingencies. Your portfolio is equipped to adjust quickly and keep you well positioned no matter what market conditions come your way.

Portfolio manager viewpoint

Sarah Riopelle, CFA, Managing Director, Senior Portfolio Manager & Head of Portfolio Solutions and Platform Talent

Our base case is for moderate economic growth and inflation calming enough to allow the Fed to continue cutting interest rates. Against this backdrop, we expect sovereign bonds to deliver cash-like returns and offer ballast against equity-market volatility should the economy disappoint. We expect stocks to continue outperforming bonds but note that potential for outsized gains has diminished after this year's strong run lifted valuations to extremes in some areas.

Accordingly, we have reduced our equity overweight by one percentage point this quarter and placed proceeds in cash. We also used this opportunity to modify regional equity allocations by increasing U.S. equity exposure, acknowledging that strong momentum in mega-cap technology stocks could persist. However, we remain underweight U.S. equities given their relatively high valuations. Consequently, we trimmed international equity exposure while maintaining a slight overweight given their relatively appealing valuations.

For our complete New Year 2026 Global Investment Outlook, please visit rbcgam.com/gio

Interesting Times

What are the implications of high stock valuations?

A stock's valuation is an estimate of the company's intrinsic worth based on fundamentals like projected cash flows, earnings power, asset values and risks. It serves as a benchmark for judging whether its market price is rich or cheap, much like how a property appraisal can differ from the actual selling price of a home.

Elevated valuations signal that investors expect strong future earnings growth. But they can also mean the market price already embeds a hefty premium for that growth. Investors should remain prudent when valuations are well above historical norms. High valuations can indicate that further gains may be limited and increase the risk of a pull back. For example, U.S. equities now trade at the upper end of their valuation range. As such, we are currently underweight U.S. equity exposure in RBC Global Portfolios in favour of more attractively valued regions such as international developed and emerging markets.

The Download
A podcast with David Richardson

Tune in for timely market insights, with host Dave Richardson and guests. Scan to listen here!

Welcome to our 1st fun quarterly poll!

If you could have one investing superpower, which would you choose?

- A Perfect market timing
- B Emotion-free decision making
- C Crystal ball for 10-year returns
- D Ability to never panic sell

Scan QR code to participate.

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