



RBC Funds (Lux) – Balanced Portfolio

Investment objective

To provide investors with the potential for moderate capital growth by investing primarily in a portfolio of Target Funds with a balance of fixed income and equity securities.

INVESTMENT MANAGER

RBC Global Asset Management Inc.

BENCHMARK

30% S&P500 Total Return Index (USD)
20% MSCI EAFE Net Total Return Index (USD)
18% Barclays U.S. Corporate Investment Grade Index (USD)
11% Citigroup WGBI Index (Hedged to USD)
5.5% Barclays U.S. Aggregate Bond Index (USD)
5.5% Barclays 1-3 Yr U.S. Treasury Index (USD)
5% ICE BofAML Global High Yield Constrained Index (Hedged to USD)
5% MSCI Emerging Markets Net Index (USD)

FUND SIZE (USD)

15.9m

Fund information

Share class	Mgmt fees	Total expense ratio *	NAV per share	Bloomberg code	ISIN code
O (acc) USD	0.45%	1.25%	141.17	RBCBPCU LX	LU0820967874
O (acc) EUR (H)	0.45%	1.25%	132.71	RBCBPCE LX	LU0820967957
O (acc) GBP (H)	0.45%	1.25%	136.86	RBCBPCG LX	LU0820968096
A (acc) USD	1.15%	2.05%	123.67	RBCPAUA LX	LU0953693321
B (acc) USD	0.50%	1.40%	128.13	RBCPBUA LX	LU0953693594
B (dist) GBP (H)	0.50%	1.40%	124.30	RBCBBGH LX	LU0954299128

Investment performance (total return) - Annualised

Share class	1 mo.	3 mo.	1 yr.	3 yr.	5 yr.	Since inception	Inception date
O (acc) USD	(0.4)%	0.1%	4.8%	4.5%	5.6%	6.0%	05-Sep-12
O (acc) EUR (H)	(0.6)%	(0.6)%	2.2%	2.8%	4.4%	4.8%	05-Sep-12
O (acc) GBP (H)	(0.6)%	(0.4)%	2.8%	3.4%	4.9%	5.4%	05-Sep-12
A (acc) USD	(0.5)%	(0.1)%	4.0%	3.6%	--	4.6%	22-Aug-13
B (acc) USD	(0.4)%	0.1%	4.6%	4.3%	--	5.4%	22-Aug-13
B (dist) GBP (H)	(0.6)%	(0.3)%	2.9%	3.1%	--	4.6%	29-Aug-13
Benchmark (USD)	(0.3)%	0.2%	6.2%	6.4%	7.3%	7.3%	--

Net Calendar Year Performance

Share class	2017	2016	2015	2014	2013	Cumulative Since Inception
O (acc) USD	14.5%	4.7%	(2.2)%	5.5%	12.4%	39.5%
O (acc) EUR (H)	12.2%	3.1%	(2.7)%	5.4%	12.0%	31.2%
O (acc) GBP (H)	12.9%	4.0%	(2.1)%	5.5%	12.5%	35.3%
A (acc) USD	13.6%	3.6%	(3.2)%	4.3%	--	24.3%
B (acc) USD	14.3%	4.4%	(2.4)%	5.2%	--	28.8%
B (dist) GBP (H)	12.8%	3.5%	(2.6)%	5.2%	--	24.5%
Benchmark (USD)	15.0%	6.9%	0.0%	6.4%	13.0%	49.6%

Since inception, share class performance & benchmark performance are calculated from the first month-end following the inception of the respective share classes.

Past performance is not indicative of future results and returns may increase or decrease as a result of currency fluctuations.

Top holdings

	Current
iShares Core S&P 500 UCITS ETF	19.4%
RBC Funds (Lux) US Inv. Grade Corporate Bond	16.9%
Robeco US Large Cap Equities	11.9%
RBC Funds (Lux) Global Bond	10.4%
Threadneedle European Select Fund	7.7%
RBC Funds (Lux) Asia Ex-Japan Equity	5.8%
RBC Funds (Lux) Emerging Markets	5.2%
PIMCO GIS Total Return Bond Institutional	5.2%
iShares Barclays 1-3 Year Treasury Bond Index	5.2%
BlueBay Global High Yield Bond Fund	4.7%
Investec Fund Series I - UK Alpha	4.3%
iShares MSCI Japan UCITS ETF USD Acc	2.0%



Equity geographic exposure

(As at June 30, 2018)



- US 55.5%
- Europe ex U.K. 13.7%
- UK 11.2%
- Asia 10.4%
- Emerging Markets 9.3%

Fixed income geographic exposure

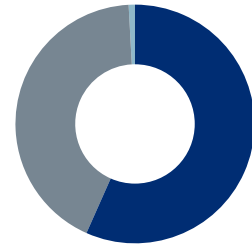
(As at June 30, 2018)



- US 52.1%
- Global Bonds 47.9%

Asset class

(As at June 30, 2018)



- Equity 56.7%
- Fixed Income 42.5%
- Cash 0.9%

* The Total Expense Ratio ("TER") for the RBC Funds (Lux) Portfolios includes the costs of the underlying Funds that the Portfolios invest in, the management fees of the Portfolios and the operating costs of the Portfolios.

Important Risk Considerations:

- **General Investment and Taxation Risk:** The value of a Sub-Fund is highly sensitive to changes in interest rates, the general financial market and economic conditions or individual company news.
- **Credit Risk:** There is a potential that a borrower is unable or unwilling to repay the loan or obligation, either on time or at all.
- **Currency Risk:** Sub-Funds are invested in securities denominated in different currencies other than the Reference currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value in the Reference Currency of any securities denominated in another currency.
- **Currency Hedging Risk:** Hedging currency risks may protect investors against a decrease in the value of the Reference Currency relative to the Hedged Share Class, but it may also preclude investors from benefiting from an increase in the value of such currencies. All costs and gains/losses of hedging transactions are borne by the relevant Hedged Share Classes.
- **Derivative Risk:** Derivative instruments are highly sensitive to changes in the value of the underlying asset that they are based on. Certain derivatives may result in losses greater than the amount originally invested.
- **Interest Rate Risk:** The value of the Sub-Fund is highly affected by fluctuations in interest rates.
- **Large Shareholder Risk:** Investors holding a large portion of issued and outstanding shares of a Sub-Fund are likely to incur transaction costs in case of redemptions.
- **Liquidity Risk:** Under highly volatile markets, securities may not be sold as quickly or easily, which could have an influence on meeting redemption requests on demand.
- **Market Risk:** The market value of a Sub-Fund's investments will fluctuate based on specific company developments, broader equity or fixed-income market conditions, economic and financial conditions.
- **Securities Lending Risk:** The risk that the Sub-Fund may be left holding the collateral delivered by the other party to secure securities lending transactions.

Important Information: This information is intended for Professional Investors and shareholders of the retail investor share class only. This document may only be distributed in countries where RBC Funds (Lux) is registered, with the exception of Belgium. The Financial Services and Markets Authority ("FSMA") in Belgium has not approved this document.

RBC Funds (Lux) is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg (société d'investissement à capital variable or the "SICAV") and qualifies as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Article 1, paragraph 2, points a) and b) of the Directive 2009/65/EC of July 13, 2009, as amended.

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Prospective investors should review the Prospectus and the Key Investor Information Documents ("KIIDs") of the SICAV carefully and in their entirety, and consult with their legal, tax and financial advisors in relation to (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of the SICAV's Shares (the "Shares"); (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

Past performance is not a reliable guide to future performance. The value of investments and any income from them is not guaranteed and may fall or rise and the investor may not get back the original investment. Exchange rate movement could increase or decrease the value of underlying investments/ holdings. The Sub-Fund may be invested in securities denominated in a number of different currencies other than the Reference Currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in another currency. While it is the intention of the Sub-Fund to achieve its investment objective, there can be no assurance that it will.

Index returns are for illustrative purposes only, do not represent actual fund performance and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

The value of the Sub-Fund can change from day to day because the value of the securities in which it invests can be affected by changes in interest rates, the general financial market and economic conditions or individual company news. As a result, at the time of redemption, Sub-Fund Shares may be worth more or less than the original purchase price. There can be a number of risk factors that impact the value of an investment in a Sub-Fund. Investors should refer to the section called "Risk Factors" in the Prospectus before investing.

None of the Shares of the Sub-Funds has been or will be registered for sale or distribution in Canada or in the United States.

Copies of the Articles of Incorporation of the SICAV, the current Prospectus, the KIIDs and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the SICAV in Luxembourg: 14, Porte de France, L- 4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, or at rbcgam.lu. The Prospectus is available in the English and French languages. The KIIDs are available in the local language(s) of the jurisdictions in which the Sub-Fund(s) are registered.

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