

PAG A+ Multi-Asset Portfolio Solutions – Balanced



Wealth Management
Dominion Securities

The Multi-Asset Portfolio Solutions – Balanced provides investors with a globally diversified multi-asset class portfolio. This balanced mandate is built using a strategic approach for Canadian investors via a combination of solutions, including exchange-traded funds (ETFs), mutual funds and separately managed accounts (SMAs). The Portfolio utilizes a combination of strategic and tactical elements in asset allocation. This multi-asset, multi-solution Portfolio should appeal to investors with a moderate risk tolerance and long time horizon.



Multi-Asset Portfolio Solutions – Balanced

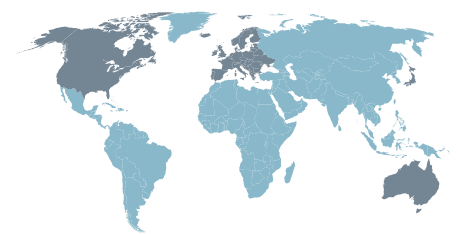
- The Portfolio is designed to provide an all-in-one model portfolio for investors seeking diversified exposure to a balanced mix of global equities and fixed income. A modest tactical allocation to the alternatives asset class, such as commodities, may also be considered for Portfolio diversification. The long-term strategic focus is complemented by an intermediate-term overlay that affords flexibility to shift the asset mix based on the relative merits and risk-reward of equities, bonds, sectors, styles and regions.
- The Portfolio utilizes a hybrid framework combining the benefits of passive and active investment strategies that strikes a balance between cost efficiency and disciplined alpha generation.
- The Portfolio strives to deliver a mix of capital appreciation and income over the long term, while maintaining a moderate level of risk.

Portfolio management

- Investment decisions are made by the Canadian Investment Committee, made up of asset class, fulfillment and portfolio specialists at RBC Wealth Management. The Investment Committee uses a broad range of research inputs from RBC Capital Markets, RBC Global Asset Management, RBC Wealth Management and third-party research partners encompassing macro analysis and leading economic and financial indicators. The Investment Committee actively searches for compelling themes in global financial markets that offer the best opportunities and acceptable risk. Portfolio changes will be based on various factors, including changes in fundamental, quantitative and/or technical factors.
- The Portfolio is comprised of 15–25 mutual funds, SMAs and ETFs. High-conviction active strategies—typically delivered via mutual funds and SMAs—are expected to be held and evaluated over multi-year time horizons. Index-linked ETFs are relied on for delivering cost-efficient exposure to broad markets and as vehicles for executing tactical asset allocation views.

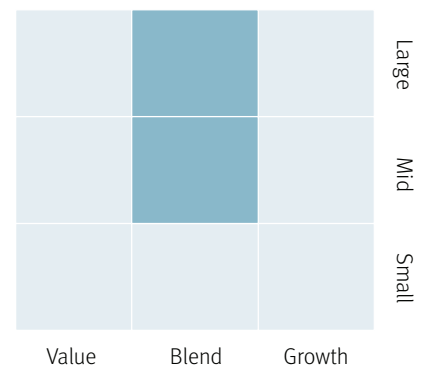
Target exposure to world regions

Americas Greater Europe Greater Asia



Core markets Secondary markets

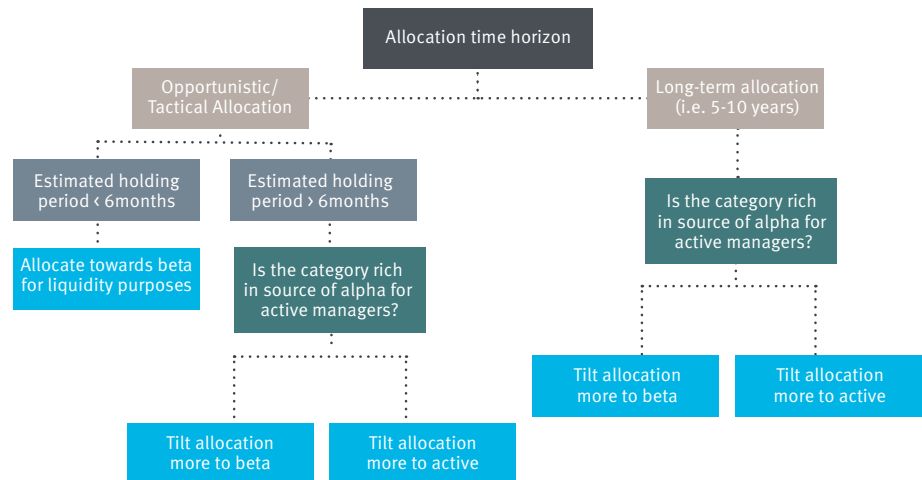
Market cap vs. style matrix



- The Investment Committee undertakes rigorous multi-pronged due diligence to identify high-conviction active strategies. This incorporates an assessment of a wide range of factors, including depth of portfolio management team, consistency of investment process and track record of robust risk-adjusted returns through market cycles. ETFs are evaluated based on multiple attributes, including cost, tradability and objective. In order to avoid potential conflict of interest, all fulfillment solutions are subject to this evaluation, including those managed by RBC Global Asset Management and the Portfolio Advisory Group; the Investment Committee will give no special consideration to RBC solutions.
- Risk management is engrained in the Investment Committee’s approach. The Investment Committee measures and monitors portfolio risk across a multitude of factors, including, but not limited to, relative returns, absolute and relative volatility, tracking error and correlations. Risk budgeting, the process of determining how much active risk to take and where to allocate active risk to enhance the risk-reward profile of the Portfolio, rounds out the Portfolio’s risk management framework.

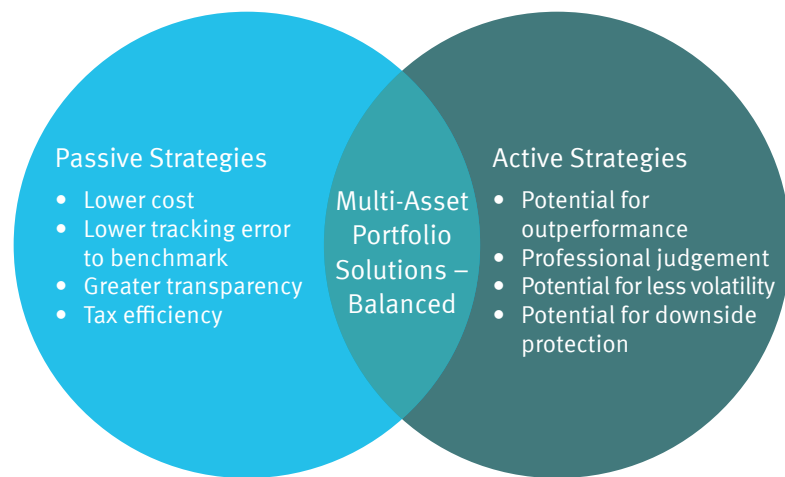
Risk profile

- This Portfolio is geared toward investors with a moderate risk profile. The Portfolio seeks to maintain broad diversification, and its composition may at times differ materially from the benchmark.
- While an approach focused on cost-efficient diversification and disciplined active strategies with a demonstrated track record of value generation and repeatability should be rewarded over time, after careful consideration of risk-reward, the Investment Committee may at times decide to avoid or limit exposure to specific market segments or factors. Thus, investors should expect to experience some difference relative to the broader market and the benchmark.



Benefits

- **Confidence:** The Investment Committee leverages all of the resources at its disposal to construct a multi-asset class portfolio that emphasizes the long-term upside potential of the global equity market with the fixed income components providing an effective defensive and downside buffer.
- **Transparency:** Quarterly reports will be published that analyze the Portfolio, including Portfolio Manager commentaries, updates of specific positions and a review of the Portfolio’s performance and positioning.
- **One-stop solution:** A one-stop model portfolio that uses a blend of passive and active fulfillment solutions that deliver exposure to a diversified mix of assets, including Canadian equities, U.S. equities, international and emerging market equities, government and corporate bonds, preferred shares and emerging market bonds. A modest tactical allocation to the alternatives asset class, such as commodities, may also be considered for Portfolio diversification.



The Canadian Investment Committee consists of:

Mark Bayko

Chair, Head of Portfolio Management,
RBC Dominion Securities Inc.

Sarah Bewley

Senior Analyst, Global Manager Research,
RBC Dominion Securities Inc.

Siân Canavan

Manager, Multi-Asset Advisory & Portfolio
Practice Management, RBC Dominion
Securities Inc.

Christopher Girdler

Portfolio Advisor, Fixed Income Strategies,
RBC Dominion Securities Inc.

Erwin Go

Vice President, Mutual Fund Advisory,
RBC Dominion Securities Inc.

Brent Hubbs

Senior Portfolio Consultant, Multi-Asset
Advisory, RBC Dominion Securities Inc.

David Jean-Philippe

Senior Manager, Investment Analytics,
RBC Dominion Securities Inc.

John MacIsaac

Senior Analyst, Global Manager Research,
RBC Dominion Securities Inc.

Patrick McAllister

Manager, Equity Advisory & Portfolio
Management, Portfolio Advisory Group,
RBC Dominion Securities Inc.

Gopa Nair

Portfolio Advisor, U.S. Equities,
Portfolio Advisory Group, RBC Dominion
Securities Inc.

Mikhial Pasic

Portfolio Advisor, Fixed Income Strategies,
RBC Dominion Securities Inc.

Carolyn Schroeder

Associate Portfolio Advisor, Multi-Asset
Advisory & Portfolio Practice Mgmt.,
RBC Dominion Securities Inc.

Michael Schuette

Multi-Asset Portfolio Strategist, Portfolio
Advisory Group, RBC Capital Markets, LLC

Peter Scott

Portfolio Analyst, Multi-Asset Advisory,
RBC Dominion Securities Inc.

Joseph Wu

Portfolio Advisor, Portfolio Advisory Group,
RBC Dominion Securities Inc.

Christine Yao

Mutual Fund Analyst, Mutual Fund Advisory,
RBC Dominion Securities Inc.

Arete Zafiriou

Associate Portfolio Advisor, Multi-Asset
Advisory, RBC Dominion Securities Inc.

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