RBC BlueBay Asset Management

Marketing Communication
June 30, 2023

RBC Funds (Lux) - Growth Portfolio

Fund information

Investment manager	RBC Global Asset Management Inc.	Fund type	UCITS
Fund launch date	September 05, 2012	Fund domicile	Luxembourg
Fund size (USD)	47.9 m	SFDR classification	Article 6
Portfolio manager(s)	Sarah Riopelle, CFA		
Benchmark	75.0% MSCI ACWI Net Index (USD) 16.0% Bloomberg Global Aggregate Bond Index (USD) 6.0% Bloomberg Global Aggregate Corporate Bond Index (Hedged to USD) 3.0% ICE BofA Global High Yield Constrained Index (Hedged to USD)		

Investment objective:
To provide investors with the potential for long-term capital growth by investing primarily in a portfolio of Target Funds with an emphasis on equity securities.

Share class information

Share class	Mgmt fees (%)	TER* (%)	NAV	Bloomberg	ISIN
O (acc) USD	0.00	0.85	194.77	RBCGROU LX	LU0820968179
O (acc) GBP (H)	0.00	0.85	175.75	RBCGOSH LX	LU0820968336
O (acc) EUR (H)	0.00	0.85	162.75	RBCGOEH LX	LU0820968252

Net annualised performance (%)

Share class	1 M	3 M	YTD	1 Y	3 Y	5 Y	10 Y	SI**
O (acc) USD	3.49	3.41	7.96	9.05	6.35	5.38	5.87	6.36
O (acc) GBP (H)	3.39	3.11	7.36	7.59	5.35	4.00	4.77	5.35
O (acc) EUR (H)	3.23	2.71	6.43	5.83	4.34	3.02	4.04	4.60
Benchmark (USD)	4.40	4.42	10.94	12.50	7.08	6.30	7.19	7.54

Net calendar year performance (%)

Share class	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Cumulative SI**	Inception date
O (acc) USD	-19.37	14.20	17.08	20.69	-8.94	17.72	5.29	-2.99	4.88	16.44	94.77	05-Sep-12
O (acc) GBP (H)	-20.34	13.70	15.45	18.32	-10.70	16.09	3.95	-3.17	4.99	16.50	75.75	05-Sep-12
O (acc) EUR (H)	-21.34	12.99	15.16	17.05	-11.62	15.27	3.59	-3.61	4.71	15.81	62.75	05-Sep-12
Benchmark (USD)	-17.51	12.88	14.48	21.82	-6.37	18.32	7.48	-0.57	5.29	16.35	119.52	05-Sep-12

Past performance does not predict future returns and is calculated in various currencies as labeled. Returns may increase or decrease as a result of currency fluctuations.

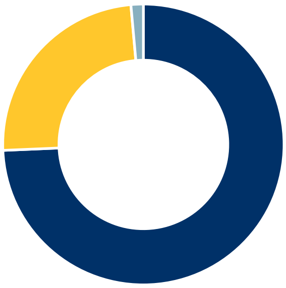
Source: RBC Global Asset Management, MSCI, Bloomberg Indices, ICE Data Services. All returns for periods greater than one year are shown on an annualised basis.

*TER – Total expense ratio. **SI – Since inception.

Top 10 holdings (%)

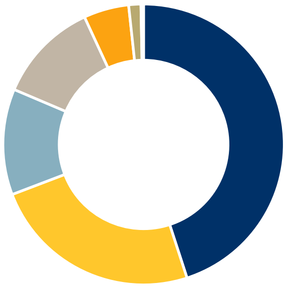
Issuer	Fund
RBC Funds (Lux) - U.S. Equity Focus Fund	18.8
RBC Funds (Lux) - Global Equity Focus Fund	16.2
BlueBay Investment Grade Global Aggregate Bond Fund	15.5
iShares Core S&P 500 UCITS ETF	14.9
RBC Funds (Lux) - European Equity Focus Fund	8.8
RBC Funds (Lux) - Emerging Markets Equity Fund	8.7
BlueBay Global Investment Gradeorate Bond Fund	5.9
RBC Funds (Lux) - Japan Ishin Fund	4.1
RBC Funds (Lux) - Asia ex-Japan Equity Fund	3.1
BlueBay Global High Yield Bond	2.9
Total	99.0

Asset allocation (%)



	Weight
Equities	74.3
Fixed Income	24.2
Cash	1.4

Asset breakdown (%)



	Weight
U.S. Equities	45.0
Fixed Income	24.2
European Equities	12.2
EM Equities	11.7
Asia-Pacific Equities	5.2
Cash	1.4
Canadian Equities	0.3

Important risk considerations

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.

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.

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.

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.

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.

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

Interest Rate Risk: The value of the Sub-Fund is highly affected by fluctuations in interest rates.

Further details of the risks that apply to the fund can be found in the funds prospectus.

Source: RBC Global Asset Management, MSCI, Bloomberg Indices, ICE Data Services. Weights reflect actual positions, figures may not sum to 100% due to rounding.

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Quarterly commentary

Economy

The economy has shown resilience in the first half of the year, but the aggressive monetary tightening cycle is starting to have an impact. Higher interest rates have increased the cost of borrowing, lowered risk appetite and emerged as the root cause of banking sector stress. Moreover, business confidence is waning, and global trade is shrinking. We anticipate that developed-world economies will fall into recession within the next few quarters with odds of a contraction at 80%. Our expectation is for the recession to be mild to middling in depth and lasting just two to three quarters. A mild recession could bring some positives and set the stage for the next durable economic expansion.

The increase in bond yields from last year has eased and investors have been conditioned to a higher interest rate environment. As inflation soared, investors embedded a higher inflation premium into bonds and our models suggest the reverse will be true as inflation moderates. In addition, a variety of technical signals indicate support for bond prices.

The equity market rebound in late 2022 was propelled by diminishing investor concerns regarding inflation and about the sustainability of economic growth. The rally was initially broad-based across regions, but returns in recent months have been concentrated in a narrow set of U.S. mega-cap technology stocks. We would prefer to see expanding breadth alongside a rising stock-market index to confirm a healthy, durable, bull market. The bigger threat to the stock market is now the sustainability of corporate profits which have been struggling and will be vulnerable if the economy falls into recession.

Growth

The Growth profile was up over the quarter. Equities rallied at the start of 2023, but apart from the U.S. large-cap market, which has been fueled by excitement about artificial intelligence, most major indices were flat or down for the quarter. Falling prices for commodities and projections of lower bank profits led to lower growth expectations for the year. Bond yields are mostly at the upper estimates of fair value according to our models.

The global economy is slowing as higher borrowing costs and tighter financial conditions weigh on activity. At this late stage in the business cycle, short-term interest rates are likely peaking, bonds are more appealing than they have been in a long time, and equity markets could be vulnerable to correction should a recession materialize. Our allocations to stocks, bonds and cash are now all in line with our strategic neutral levels.

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