

Active Allocation Portfolio



Wealth
Management

Ideas for global asset allocation

Introduction

The Active Allocation (AA) Portfolio is a diversified guided portfolio that attempts to bridge the gap between our traditional competency in portfolios of individual stocks and bonds and a broader, more-global asset allocation through the use of Exchange Traded Funds (ETFs). Based on a “balanced” investment profile, the AA Portfolio will invest within predefined equity and fixed income allocation ranges as a way to express overweight and underweight views towards specific markets, sectors, countries and regions. The Portfolio compliments the Global Insight Monthly, the flagship client-facing piece of the Portfolio Advisory Group, which represents the firm’s big picture view with a timely and dynamic commentary.

Objective

The Active Allocation Portfolio offers ideas on the completion of a total global asset allocation utilizing ETFs.

Key features of the AA Portfolio include:

- Complements the Global Insight Monthly publication. This document

represents the firm’s big picture view and recommendations that are suitable for all clients and can be implemented over a 12-month investment horizon.

- Builds a framework to convey specific product ideas and strategies.
- Provides more timely and dynamic commentary on the outlook for various markets.
- Provides a means of filtering the multiple messages from RBC Capital Markets and RBC Global Asset Management into those that are more big-picture and tactical in nature.

Relationship with global insight monthly

The AA Portfolio will be based broadly on the 12-month view articulated by the Global Insight Monthly. In order to pursue a wider range of strategies and provide articulation of a shorter three- to six-month outlook, the AA Portfolio maintains the flexibility to make adjustments to the asset allocation within a set range of the 12-month Global Insight view.

Investment style

Investment decisions are made using a range of inputs from RBC Capital Markets, RBC Global Asset Management, and third-party research covering:

- Macro analysis and research from across RBC and external resources
- Leading global economic indicators and trends
- Technical analysis and insight
- Fundamental analysis of individual sectors

Indicators used to help inform the decision-making process include macroeconomic, sentiment, monetary supply, valuation and technical indicators. The purpose of these indicators is to give the committee a sense as to the economic direction of different geographies as well as the relative attractiveness of these geographies on a valuation basis.

To learn more about using the RBC Active Allocation Portfolio, please contact your RBC Wealth Management® financial advisor today.

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

Investors should consider the investment objectives, risks, and charges and expenses of a fund carefully before investing. Prospectuses containing this and other information about the fund are available by contacting your RBC Wealth Management financial advisor. Please read the prospectus carefully before investing to make sure that the fund is appropriate for your goals and risk tolerance. Historical fund performance does not guarantee the same results in the future. Principal value, share prices and investment returns fluctuate with market conditions. Your investment may be worth more or less than your original cost when you redeem your shares.

Please consult with your own financial professional when making investment decisions. The above information is not warranted to be accurate, complete or timely. Past performance is no guarantee of future results. Investing in alternative investments may be speculative and not suitable for all clients and is intended for investors who are willing and able to bear the unique economic risks of the investment. Investors should consider whether such investments are suitable in light of their individual financial situation.

ETFs are subject to the same risks as the underlying securities.

ETFs fluctuate in market value and may trade at prices above or below the ETFs net asset value.

Commissions may be charged on every trade, depending on account type.

Within the Consulting Solutions – Specialty Portfolios program, no commissions will be charged on ETF trades; however, advisory fees may apply.

Diversification does not ensure a profit or protect against loss.

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