

Insights

RBC Retirement Portfolios

Winter 2025



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A glimpse inside RBC Retirement Portfolios

Trillions of dollars move across stock and bond markets worldwide every day. Global financial markets are changing rapidly. New investment options are constantly being introduced. Navigating your portfolio through all this complexity is more than any one person can manage on a daily basis.

With RBC Retirement Portfolios, you have an entire firm of investment professionals managing your portfolio. It starts with the Portfolio Solutions team who oversee your portfolio's day-to-day management, led by Sarah Riopelle, Managing Director and Senior Portfolio Manager. But the team doesn't work in isolation.

They are supported by hundreds of experienced and talented investment professionals based around the world.

Each investment professional involved with the management of your portfolio is constantly watching the economy and areas of the markets such as fixed income, equities, derivatives, currencies and more. The latest views of these investment experts are reflected in your portfolio, from the top level asset mix to each fund invested within. With investment teams located in key markets around the world, your portfolio is managed around the clock – whether the opening bell is ringing in North America, Europe, or Asia.

RBC Retirement Portfolios can seem simple on the surface. Digging deeper reveals a sophisticated network of people, processes and tools.

Across the portfolios there are:

4 asset classes

12 sub-asset classes

30+ underlying funds

across **25+** countries

Your portfolio is supported by:

4 members of the Portfolio Solutions team

17 investment teams

4 specialty and research teams

390+ investment professionals



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Inside the mind of your investment team

The Portfolio Solutions team is constantly monitoring your portfolio and making adjustments where needed to keep your investment on track. Here are few things the team is always thinking about.

What is our outlook for the economy and markets?

A massive volume of data flows in from across the globe every day. To make sense of it all, RBC Global Asset Management (RBC GAM) has developed sophisticated models and dashboards. These tools interpret short- and medium-term changes in the economy, credit conditions, market fundamentals and technical indicators. The Portfolio Solutions team uses this information to manage and adjust your portfolio to changing circumstances.

The Portfolio Solutions team uses a macro-dashboard that has **60** different indicators to understand how market developments may affect your portfolio.

Our chief economist maintains a database with **1,000+** charts as he tracks changing markets.



How can we keep you on track to and through retirement?

We periodically review your portfolio's structure to keep you on track to and through retirement. In a review of the portfolios in 2024, we decided to revise your retirement glidepath.


The change resulted in higher equity exposure in the early years when retirement is far off to increase

growth potential. With the average Canadian living 20-30 years in retirement*, retirement investing is about more than just capital preservation. This higher equity allocation increases your odds of outpacing inflation. It did not affect the 2025, 2030 or 2035 Retirement Portfolios, maintaining a more conservative approach for those transitioning to and living in retirement.

The average Canadian will spend

 **20+** years in retirement

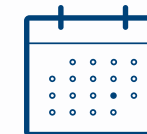
We made

 **7** asset mix changes to migrate to the new retirement glidepath

*Based on average expected lifespan of 21 years after age 65 (Statistics Canada, Table 13-10-0114-01, 2024) and using the Canadian average retirement age of 65 (Statistics Canada, Table 14-10-0060-01, 2024).

Are the funds in your portfolio fulfilling their role?

The portfolio managers of the 34 mutual funds in RBC Retirement Portfolios are experts in their individual markets. When they invest in specific securities, they engage with each company to deeply understand the firm's strategy and activities. The Portfolio Solutions team works closely with these managers to monitor performance and ensure the funds are adding value to your portfolio.



The investment team at GAM meets weekly, bringing together specialists in economics, fixed income, equities, currencies, and technical analysis.

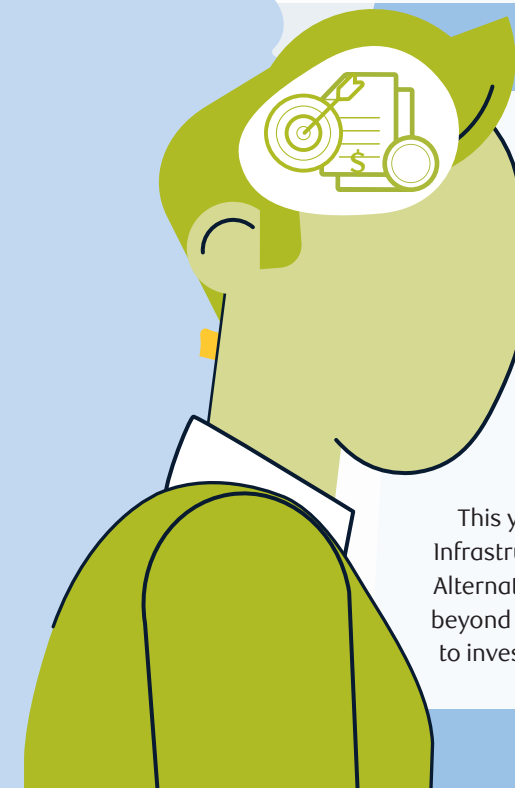


Each team shares their respective views on their markets.

Can diversification be enhanced by adding new funds to your portfolio?

RBC GAM has an evolving shelf of over 250 mutual funds which provides a broad set of choices. With increased access to new markets and the introduction of new asset classes, RBC Retirement Portfolios are constantly evolving too.

This year, we've added to our existing investment in RBC Global Infrastructure Fund LP and RBC Canadian Core Real Estate Fund. Alternative investments like these help diversify your portfolio beyond stocks and bonds. It's often harder for individual investors to invest in these types of investments on their own.



Expertly engineered solutions

While choosing to invest in RBC Retirement Portfolios is simple, the investment process within is anything but. The Portfolio Solutions team has access to the latest regional insights from experts based around the world. Paired with a sophisticated oversight process, this ensures your portfolio remains well positioned at all times. Learn more at rbcgam.com/retirement.

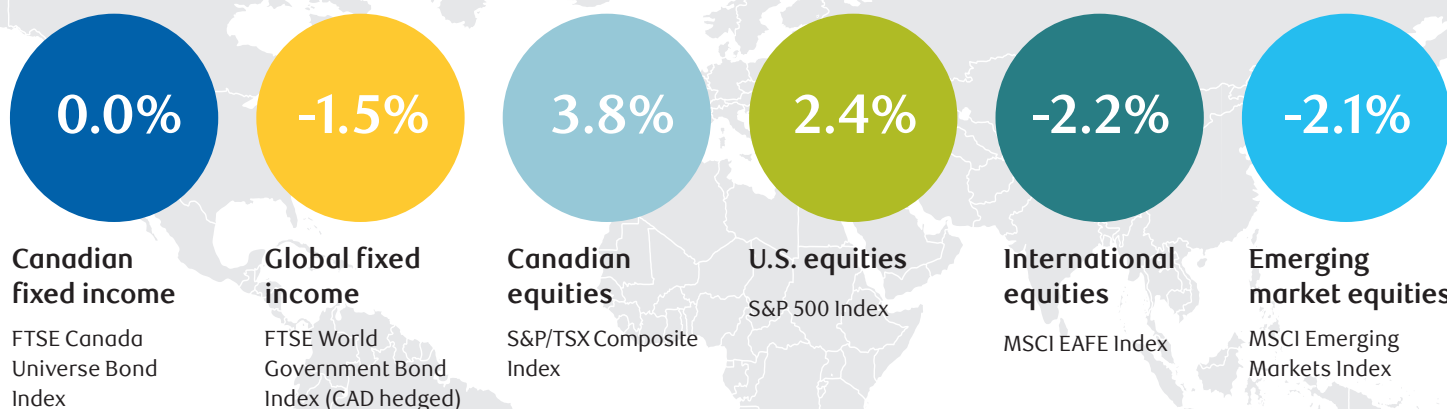


Portfolio manager viewpoint

Sarah Riopelle, CFA, Managing Director & Senior Portfolio Manager, Investment Solutions

The economy has stabilized as inflation concerns moderate and headwinds created by higher borrowing costs fade amid interest-rate cuts. Recession risk has declined further and we now assign a mere 15% probability of recession for the U.S. economy. Bonds appear to be reasonably priced and yields are likely to trade within our equilibrium range over the year ahead, providing fixed-income investors with low- to mid-single-digit returns with modest valuation risk. Stocks offer better return potential than bonds, although we are concerned that a handful of mega-cap stocks make up the bulk of the weighting and returns in the U.S. equity market. Overall, we look for equities to deliver mid to high single-digit returns over the year ahead, and we favour segments of the market where valuations are less demanding.

Markets this quarter*



For our complete New Year 2025 Global Investment Outlook, please visit rbcgam.com/gio

* Source: Bloomberg. As of December 31, 2024. All returns are in C\$ except where indicated. Canadian, U.S., International and Emerging Markets index returns are total returns. An investment cannot be made directly into an index. The above does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results.

We thank you for your ongoing trust in continuing to hold RBC Retirement Portfolios as part of your investment plan. If you have any questions or comments, please contact your advisor.

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