

## Asset class diversification

Striking an appropriate balance between growth and stability



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
US Equities 24.4%	US Equities 20.8%	CDN Equities 21.1%	EM Equities 28.3%	US Equities 3.8%	US Equities 25.1%	EM Equities 16.6%	US Equities 27.9%	Cash 1.7%	US Equities 22.9%
Balanced Portfolio 11.9%	INTL Equities 19.0%	US HY Bonds 14.3%	INTL Equities 16.8%	Global Bonds 1.9%	CDN Equities 22.9%	US Equities 16.1%	CDN Equities 25.1%	CDN Equities -5.8%	INTL Equities 15.1%
CDN Equities 10.6%	Balanced Portfolio 8.2%	US Equities 8.6%	US Equities 14.1%	CDN Bonds 1.4%	INTL Equities 16.5%	Balanced Portfolio 10.0%	Balanced Portfolio 11.2%	INTL Equities -7.8%	Balanced Portfolio 12.8%
Global Bonds 9.4%	CDN Bonds 3.5%	EM Equities 7.3%	Balanced Portfolio 9.8%	Cash 1.3%	Balanced Portfolio 15.5%	CDN Bonds 8.7%	INTL Equities 10.8%	Balanced Portfolio -10.2%	US HY Bonds 12.5%
CDN Bonds 8.8%	EM Equities 2.0%	Balanced Portfolio 6.0%	CDN Equities 9.1%	Balanced Portfolio -1.1%	US HY Bonds 14.0%	INTL Equities 6.4%	US HY Bonds 4.6%	US HY Bonds -11.1%	CDN Equities 11.8%
EM Equities 6.6%	Global Bonds 1.9%	Global Bonds 3.5%	US HY Bonds 6.4%	US HY Bonds -2.9%	EM Equities 12.9%	Global Bonds 6.0%	Cash 0.1%	CDN Bonds -11.7%	EM Equities 6.9%
US HY Bonds 4.3%	Cash 0.6%	CDN Bonds 1.7%	CDN Bonds 2.5%	INTL Equities -6.0%	CDN Bonds 6.9%	CDN Equities 5.6%	Global Bonds -2.3%	US Equities -12.3%	CDN Bonds 6.7%
INTL Equities 3.7%	US HY Bonds -2.7%	Cash 0.5%	Global Bonds 1.8%	EM Equities -6.9%	Global Bonds 6.8%	US HY Bonds 5.1%	CDN Bonds -2.5%	Global Bonds -13.2%	Global Bonds 5.6%
Cash 0.9%	CDN Equities -8.3%	INTL Equities -2.5%	Cash 0.6%	CDN Equities -8.9%	Cash 1.7%	Cash 0.6%	EM Equities -3.1%	EM Equities -13.9%	Cash 4.8%

Note: All returns are total returns in Canadian dollars, unless otherwise noted.

Fixed income				Equities				
Cash	Global Bonds	CDN Bonds	US HY Bonds	CDN Equities	US Equities	INTL Equities	EM Equities	Balanced Portfolio
Cash	Global Bonds	Canadian Bonds	U.S. High-Yield Bonds	Canadian Equities	U.S. Equities	International Equities	Emerging Market Equities	
FTSE Canada 30 Day TBill Index	FTSE World Government Bond Index (CAD Hedged)	FTSE Canada Universe Bond Index	ICE BofA US High-Yield BB-B Index (CAD Hedged)	S&P/TSX Composite Index	S&P 500 Index	MSCI EAFE Index	MSCI Emerging Markets Index	60% Equity / 40% Fixed Income

No one can reliably predict how a particular asset class will perform in any given year. Financial markets do not move in concert with one another; individual asset classes (cash, fixed income and equities) will perform differently in any given year and at any time one asset class may be leading the market while others lag.

Markets will always go up and down in the short term. Investing in a balanced portfolio of equities, fixed income and cash offers the potential for an investment experience that is more stable. Assets that increase in value can compensate for others that may be standing still or decreasing, thereby helping to reduce risk and smooth out the returns in a balanced portfolio over the long term.

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**Your advisor can review your individual investment goals to help you establish the right asset mix based on your needs.**

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Source: RBC Global Asset Management Inc.

Balanced Portfolio represented by 2% Cash, 38% Fixed Income (Canadian bonds), 15% Canadian Equities, 25% U.S. Equities, 15% International Equities and 5% Emerging Market Equities.

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.

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