

2009

RBC FUNDS

annual information form July 2, 2009

Series A, Advisor Series, Series T, Series D, Series F, Series I and Series O units

MONEY MARKET FUNDS

RBC Canadian T Bill Fund⁵
RBC Canadian Money Market Fund⁷
RBC Premium Money Market Fund⁸
RBC \$U.S. Money Market Fund⁵
RBC Premium \$U.S. Money Market Fund⁸

INCOME FUNDS

RBC Canadian Short-Term Income Fund⁷
RBC Bond Fund⁷
RBC Advisor Canadian Bond Fund⁶
RBC Canadian Bond Index Fund¹
RBC Monthly Income Fund⁹
RBC \$U.S. Income Fund⁴
RBC Global Bond Fund⁷
RBC Global Corporate Bond Fund⁷
RBC Global High Yield Fund⁷

MANAGED PAYOUT SOLUTIONS

RBC Managed Payout Solution¹⁴
RBC Managed Payout Solution – Enhanced¹⁴
RBC Managed Payout Solution – Enhanced Plus⁹

PORTFOLIO SOLUTIONS

RBC Balanced Fund¹³
RBC Balanced Growth Fund¹⁰
RBC Jantzi Balanced Fund¹²
RBC Select Very Conservative Portfolio¹⁴
RBC Select Conservative Portfolio¹⁵
RBC Select Balanced Portfolio¹⁵
RBC Select Growth Portfolio¹⁵
RBC Select Aggressive Growth Portfolio¹⁵
RBC Select Choices Conservative Portfolio²

RBC Select Choices Balanced Portfolio²
RBC Select Choices Growth Portfolio²
RBC Select Choices Aggressive Growth Portfolio²
RBC Target 2010 Education Fund¹
RBC Target 2015 Education Fund¹
RBC Target 2020 Education Fund¹
RBC Target 2025 Education Fund¹

CANADIAN EQUITY FUNDS

RBC Canadian Dividend Fund¹³
RBC Canadian Equity Fund⁷
RBC Jantzi Canadian Equity Fund¹²
RBC Canadian Index Fund¹
RBC O'Shaughnessy Canadian Equity Fund⁴
RBC O'Shaughnessy All-Canadian Equity Fund⁹
RBC Canadian Equity Income Fund (formerly, RBC Canadian Diversified Income Trust Fund)⁹

NORTH AMERICAN EQUITY FUNDS

RBC North American Dividend Fund¹⁰
RBC North American Value Fund⁹
RBC North American Growth Fund⁷

U.S. EQUITY FUNDS

RBC U.S. Equity Fund⁷
RBC U.S. Equity Currency Neutral Fund⁹
RBC U.S. Index Fund¹
RBC U.S. Index Currency Neutral Fund¹
RBC O'Shaughnessy U.S. Value Fund⁷
RBC U.S. Mid-Cap Equity Fund⁷
RBC U.S. Mid-Cap Equity Currency Neutral Fund⁹
RBC O'Shaughnessy U.S. Growth Fund¹¹
RBC O'Shaughnessy U.S. Growth Fund II⁴
RBC Life Science and Technology Fund³

INTERNATIONAL EQUITY FUNDS

RBC International Equity Fund⁹
RBC International Index Currency Neutral Fund¹

RBC O'Shaughnessy International Equity Fund⁷

RBC European Equity Fund⁹
RBC Asian Equity Fund⁹

GLOBAL EQUITY FUNDS

RBC Global Dividend Growth Fund¹³
RBC Jantzi Global Equity Fund¹²
RBC O'Shaughnessy Global Equity Fund⁷
RBC Global Energy Fund⁴
RBC Global Precious Metals Fund¹²
RBC Global Consumer and Financials Fund⁴
RBC Global Health Sciences Fund⁴
RBC Global Resources Fund⁴
RBC Global Technology Fund⁴

- 1 Offering Series A units only.
- 2 Offering Series A and Advisor Series units only.
- 3 Offering Series A, Series D and Series F units only.
- 4 Offering Series A, Advisor Series, Series D and Series F units only.
- 5 Offering Series A, Series D, Series I and Series O units only.
- 6 Offering Advisor Series, Series F and Series O units only.
- 7 Offering Series A, Advisor Series, Series D, Series F, Series I and Series O units only.
- 8 Offering Series A, Series F and Series I units only.
- 9 Offering Series A, Advisor Series, Series D, Series F and Series O units only.
- 10 Offering Series A, Advisor Series, Series T, Series D, Series F and Series O units only.
- 11 Offering Series A, Series D, Series F and Series O units only.
- 12 Offering Series A, Advisor Series, Series D, Series F and Series I units only.
- 13 Offering Series A, Advisor Series, Series T, Series D, Series F, Series I and Series O units.
- 14 Offering Series A, Advisor Series and Series F units only.
- 15 Offering Series A, Advisor Series, Series F and Series O units only.

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.



RBC Asset Management®

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Name, formation and history of the funds

This annual information form contains information about the RBC Funds listed on the cover page, which comprise eight general types of mutual funds. In this document:

- › *we, us* and *our* refers to RBC Asset Management Inc. (*RBC AM*);
- › *fund* or *funds* refers to the funds or series of the funds listed on the front cover; and
- › the term *portfolios* refers to the RBC Select Portfolios, the RBC Select Choices Portfolios, the RBC Managed Payout Solution and the RBC Managed Payout Solution – Enhanced described in this annual information form and *portfolio* refers to each individual fund.

The principal address of each of the funds is Royal Trust Tower, P.O. Box 7500, Station A, Toronto, Ontario, M5W 1P9.

RBC AM is the manager, trustee and primary portfolio advisor of each of the funds. Royal Mutual Funds Inc. (*RMFI*) is the principal distributor of Series A units of the funds. RBC Direct Investing Inc. (*RBC DI*) is the principal distributor of Series D units of the funds. RBC AM is the primary investment manager for the RBC® businesses serving the needs of private clients, including the RBC Funds. RBC AM, together with its international affiliates, now has over 200 employees, \$85 billion in assets under management and offices in major international centres. See *Responsibility for operations of the funds* on page 29. RBC AM, RMFI, RBC DI, RBC Dominion Securities Inc. (*RBC DS*), Phillips, Hager & North Investment Management Ltd. (*PH&N*) and Phillips, Hager & North Investment Funds Ltd. are all wholly-owned subsidiaries of Royal Bank of Canada (*Royal Bank*). We refer to Royal Bank and affiliated companies of Royal Bank as *RBC*.

Each fund is divided into multiple series of units of participation (*units*) representing interests in that fund held by unitholders (*unitholders*).

All dollar amounts in this document are in Canadian dollars, unless we state otherwise. In certain instances, references to historical information in respect of a merged fund includes the relevant information for both the terminating and continuing fund.

Each fund is an open-ended mutual fund trust governed by the laws of Ontario and governed by a master declaration of trust dated as of June 26, 2008 (*Declaration of Trust*) signed by RBC AM as trustee of the funds and an amended and restated regulation in respect of each fund.

Each fund was established on the date indicated in the following table (which, for the purpose of this document, means the date on which the fund first offered its units; other series of the fund may have been offered after this date). The table also shows whether the funds' names have changed and any major events affecting the funds in the last 10 years (such as amalgamations, mergers, reorganizations, asset transfers, changes in fundamental investment objectives or material investment strategies and changes in a portfolio advisor or the manager).

FUND	DATE OF FORMATION	CHANGES
Money Market Funds		
RBC Canadian T-Bill Fund	January 25, 1991	RBC Canadian T-Bill Fund was formerly as Royal Canadian T-Bill Fund. The name of this fund was changed effective July 14, 2003.
RBC Canadian Money Market Fund	September 18, 1986	RBC Canadian Money Market Fund was formerly known as Royal Canadian Money Market Fund. The name of this fund was changed effective July 14, 2003.
RBC Premium Money Market Fund	February 3, 1997	RBC Premium Money Market Fund was formerly known as Royal Premium Money Market Fund. The name of this fund was changed effective July 14, 2003.
RBC \$U.S. Money Market Fund	July 5, 1990	RBC \$U.S. Money Market Fund was formerly known as Royal \$U.S. Money Market Fund. The name of this fund was changed effective July 14, 2003.
RBC Premium \$U.S. Money Market Fund	October 26, 2007	Not applicable.
Income Funds		
RBC Canadian Short-Term Income Fund	January 27, 1992	RBC Canadian Short-Term Income Fund was formerly known as Royal Canadian Short-Term Income Fund. The name of this fund was changed effective July 14, 2003. Royal Canadian Short-Term Income Fund was formerly known as Royal Mortgage Fund. The name of this fund was changed July 16, 2002. At the close of business on June 28, 2002, the investment objective and investment strategies of the fund were amended to give the fund greater flexibility for its underlying investment selection.
RBC Bond Fund	July 29, 1966	RBC Bond Fund was formerly known as Royal Bond Fund. The name of this fund was changed effective July 14, 2003.
RBC Advisor Canadian Bond Fund	October 29, 1999	RBC Advisor Canadian Bond Fund was formerly known as DS Premier Canadian Bond Portfolio. The name of this fund was changed effective October 15, 2001.
RBC Canadian Bond Index Fund	May 9, 2000	RBC Canadian Bond Index Fund was formerly known as Royal Canadian Bond Index Fund. The name of this fund was changed effective July 14, 2003.
RBC Monthly Income Fund	June 23, 1997	RBC Monthly Income Fund was formerly known as Royal Monthly Income Fund. The name of this fund was changed effective July 14, 2003.
RBC \$U.S. Income Fund	May 6, 2005	Not applicable.
RBC Global Bond Fund	July 5, 1991	RBC Global Bond Fund was formerly known as Royal Global Bond Fund. The name of this fund was changed effective July 14, 2003.
RBC Global Corporate Bond Fund	August 23, 2004	Not applicable.

FUND	DATE OF FORMATION	CHANGES
Income Funds (continued)		
RBC Global High Yield Fund	October 15, 2001	RBC Global High Yield Fund was formerly known as RBC Advisor Global High Yield Fund. The name of this fund changed effective July 14, 2003.
Managed Payout Solutions		
RBC Managed Payout Solution	August 23, 2004	RBC Managed Payout Solution was formerly known as RBC Cash Flow Portfolio. The name of this fund changed effective June 27, 2008.
RBC Managed Payout Solution – Enhanced	August 23, 2004	RBC Managed Payout Solution – Enhanced was formerly known as RBC Enhanced Cash Flow Portfolio. The name of this fund changed effective June 27, 2008.
RBC Managed Payout Solution – Enhanced Plus	April 15, 2002	RBC Managed Payout Solution – Enhanced Plus was formerly known as RBC Tax Managed Return Fund. The name of this fund changed effective June 27, 2008. RBC Tax Managed Return Fund was formerly known as Royal Tax Managed Return Fund. The name of this fund was changed effective July 14, 2003.
Portfolio Solutions		
RBC Balanced Fund	September 17, 1987	RBC Balanced Fund was formerly known as Royal Balanced Fund. The name of this fund was changed effective July 14, 2003.
RBC Balanced Growth Fund	March 3, 1998	Effective July 4, 2006, the RBC Global Balanced Fund was merged into the RBC Balanced Growth Fund. Effective July 4, 2006, the investment objectives of this fund were amended to permit the fund to invest in U.S. and international fixed-income securities. RBC Balanced Growth Fund was formerly known as Royal Balanced Growth Fund. The name of this fund was changed effective July 14, 2003.
RBC Jantzi Balanced Fund	July 3, 2007	Not applicable.
RBC Select Very Conservative Portfolio	March 2, 2009	Not applicable.
RBC Select Conservative Portfolio	December 11, 1986	RBC Select Conservative Portfolio was formerly known as Royal Select Conservative Portfolio. The name of this fund was changed effective July 14, 2003. Royal Select Conservative Portfolio was formerly known as Royal Select Income Portfolio. The name of this fund was changed effective July 16, 2002.

FUND	DATE OF FORMATION	CHANGES
Portfolio Solutions (continued)		
RBC Select Balanced Portfolio	December 11, 1986	RBC Select Balanced Portfolio was formerly known as Royal Select Balanced Portfolio. The name of this fund was changed effective July 14, 2003.
RBC Select Growth Portfolio	December 11, 1986	RBC Select Growth Portfolio was formerly known as Royal Select Growth Portfolio. The name of this fund was changed effective July 14, 2003.
RBC Select Aggressive Growth Portfolio	January 12, 2007	Not applicable.
RBC Select Choices Conservative Portfolio	June 5, 2000	RBC Select Choices Conservative Portfolio was formerly known as Royal Select Choices Conservative Portfolio. The name of this fund was changed effective July 14, 2003. Royal Select Choices Conservative Portfolio was formerly known as Royal Select Choices Income Portfolio. The name of this fund was changed effective July 16, 2002.
RBC Select Choices Balanced Portfolio	June 5, 2000	RBC Select Choices Balanced Portfolio was formerly known as Royal Select Choices Balanced Portfolio. The name of this fund was changed effective July 14, 2003.
RBC Select Choices Growth Portfolio	June 5, 2000	RBC Select Choices Growth Portfolio was formerly known as Royal Select Choices Growth Portfolio. The name of this fund was changed effective July 14, 2003.
RBC Select Choices Aggressive Growth Portfolio	June 5, 2000	RBC Select Choices Aggressive Growth Portfolio was formerly known as Royal Select Choices Aggressive Growth Portfolio. The name of this fund was changed effective July 14, 2003.
RBC Target 2010 Education Fund	August 23, 2004	Not applicable.
RBC Target 2015 Education Fund	August 23, 2004	Effective July 4, 2006, the RBC Global Education Fund was merged into the RBC Target 2015 Education Fund.
RBC Target 2020 Education Fund	August 23, 2004	Not applicable.
RBC Target 2025 Education Fund	July 3, 2007	Not applicable.

FUND	DATE OF FORMATION	CHANGES
Canadian Equity Funds		
RBC Canadian Dividend Fund	January 6, 1993	RBC Canadian Dividend Fund was formerly known as RBC Dividend Fund. The name of this fund was changed effective July 4, 2006. RBC Dividend Fund was formerly known as Royal Dividend Fund. The name of this fund was changed effective July 14, 2003.
RBC Canadian Equity Fund	December 5, 1966	RBC Canadian Equity Fund was formerly known as Royal Canadian Equity Fund. The name of this fund was changed effective July 14, 2003.
RBC Jantzi Canadian Equity Fund	July 3, 2007	Not applicable.
RBC Canadian Index Fund	August 25, 1998	RBC Canadian Index Fund was formerly known as Royal Canadian Index Fund. The name of this fund was changed effective July 14, 2003. Effective at the close of business on June 28, 2002, the Royal Premium Canadian Index Fund was merged into the Royal Canadian Index Fund. The formation date shown is that of the continuing fund.
RBC O'Shaughnessy Canadian Equity Fund	September 23, 1997	In October 2007, the portfolio sub-advisor for this fund was changed from Bear Stearns Asset Management Inc. to O'Shaughnessy Asset Management, L.L.C. RBC O'Shaughnessy Canadian Equity Fund was formerly known as O'Shaughnessy Canadian Equity Fund. The name of this fund was changed effective July 14, 2003. In December 2001, the portfolio sub-advisor for this fund was changed from O'Shaughnessy Capital Management Inc. to Bear Stearns Asset Management Inc.
RBC O'Shaughnessy All-Canadian Equity Fund	January 12, 2007	In October 2007, the portfolio sub-advisor for this fund was changed from Bear Stearns Asset Management Inc. to O'Shaughnessy Asset Management, L.L.C.
RBC Canadian Equity Income Fund	July 4, 2006	Effective July 1, 2009, the investment objective of this fund was changed to permit the fund to increase its investments in common and preferred shares in Canadian companies that pay dividends. RBC Canadian Equity Income Fund was formerly known as RBC Canadian Diversified Income Trust Fund. The name of this fund was changed effective July 1, 2009.

FUND	DATE OF FORMATION	CHANGES
North American Equity Funds		
RBC North American Dividend Fund	October 15, 2001	<p>RBC North American Dividend Fund was formerly known as RBC Blue Chip Canadian Equity Fund. The name of this fund was changed effective July 4, 2006.</p> <p>Effective July 4, 2006, the investment objectives of this fund were amended to allow the fund to invest in U.S. dividend-paying securities without restrictions.</p> <p>RBC Blue Chip Canadian Equity Fund was formerly known as RBC Advisor Blue Chip Canadian Equity Fund. The name of this fund was changed effective July 14, 2003.</p>
RBC North American Value Fund	March 3, 1998	<p>RBC North American Value Fund was formerly known as RBC Canadian Value Fund. The name of this fund was changed effective July 4, 2006.</p> <p>Effective July 4, 2006, the investment objectives of this fund were amended to permit the fund to invest in U.S. value securities without restrictions.</p> <p>RBC Canadian Value Fund was formerly known as Royal Canadian Value Fund. The name of this fund was changed effective July 14, 2003.</p>
RBC North American Growth Fund	January 6, 1993	<p>RBC North American Growth Fund was formerly known as RBC Canadian Growth Fund. The name of this fund was changed effective July 4, 2006.</p> <p>Effective July 4, 2006, the investment objectives of this fund were amended to allow the fund to invest in U.S. growth securities without restrictions.</p> <p>RBC Canadian Growth Fund was formerly known as Royal Canadian Growth Fund. The name of this fund was changed effective July 14, 2003.</p> <p>Effective at the close of business on June 28, 2002, the Royal Canadian Small Cap Fund was merged into the Royal Canadian Growth Fund. The formation date shown is that of the continuing fund.</p>
U.S. Equity Funds		
RBC U.S. Equity Fund	July 29, 1966	RBC U.S. Equity Fund was formerly known as Royal U.S. Equity Fund. The name of this fund was changed effective July 14, 2003.
RBC U.S. Equity Currency Neutral Fund	January 12, 2006	Not applicable.

FUND	DATE OF FORMATION	CHANGES
U.S. Equity Funds (continued)		
RBC U.S. Index Fund	August 25, 1998	<p>RBC U.S. Index Fund was formerly known as Royal U.S. Index Fund. The name of this fund was changed effective July 14, 2003.</p> <p>Effective at the close of business on June 28, 2002, the Royal Premium U.S. Index Fund was merged into the Royal U.S. Index Fund. The formation date shown is that of the continuing fund.</p>
RBC U.S. Index Currency Neutral Fund	August 25, 1998	<p>RBC U.S. Index Currency Neutral Fund was formerly known as RBC U.S. RSP Index Fund. The name of this fund was changed effective July 4, 2006.</p> <p>RBC U.S. RSP Index Fund was formerly known as Royal U.S. RSP Index Fund. The name of this fund was changed effective July 14, 2003.</p>
RBC O'Shaughnessy U.S. Value Fund	September 23, 1997	<p>In October 2007, the portfolio sub-advisor for this fund was changed from Bear Stearns Asset Management Inc. to O'Shaughnessy Asset Management, L.L.C.</p> <p>RBC O'Shaughnessy U.S. Value Fund was formerly known as O'Shaughnessy U.S. Value Fund. The name of this fund was changed effective July 14, 2003.</p> <p>In December 2001, the portfolio sub-advisor for this fund was changed from O'Shaughnessy Capital Management Inc. to Bear Stearns Asset Management Inc.</p>
RBC U.S. Mid-Cap Equity Fund	March 2, 1992	<p>RBC U.S. Mid-Cap Equity Fund was formerly known as Royal U.S. Mid-Cap Equity Fund. The name of this fund was changed effective July 14, 2003.</p> <p>Royal U.S. Mid-Cap Equity Fund was formerly known as Zweig Strategic Growth Fund. The name of this fund was changed at the close of business on June 29, 2001.</p> <p>At the close of business on June 29, 2001, the investment objective and investment strategies of the fund were amended to reflect the removal of Phoenix/Zweig Advisers LLC as the fund's sub-advisor and the consequent change in the investment methodology employed.</p>
RBC U.S. Mid-Cap Equity Currency Neutral Fund	January 12, 2006	Not applicable.

FUND	DATE OF FORMATION	CHANGES
U.S. Equity Funds (continued)		
RBC O'Shaughnessy U.S. Growth Fund	September 23, 1997	In October 2007, the portfolio sub-advisor for this fund was changed from Bear Stearns Asset Management Inc. to O'Shaughnessy Asset Management, L.L.C. RBC O'Shaughnessy U.S. Growth Fund was formerly known as O'Shaughnessy U.S. Growth Fund. The name of this fund was changed effective July 14, 2003. In December 2001, the portfolio sub-advisor for this fund was changed from O'Shaughnessy Capital Management Inc. to Bear Stearns Asset Management Inc.
RBC O'Shaughnessy U.S. Growth Fund II	January 10, 2008	Not applicable.
RBC Life Science and Technology Fund	June 30, 1995	RBC Life Science and Technology Fund was formerly known as Royal Life Science and Technology Fund. The name of this fund was changed effective July 14, 2003.
International Equity Funds		
RBC International Equity Fund	January 6, 1993	RBC International Equity Fund was formerly known as Royal International Equity Fund. The name of this fund was changed effective July 14, 2003.
RBC International Index Currency Neutral Fund	August 25, 1998	RBC International Index Currency Neutral Fund was formerly known as RBC International RSP Index Fund. The name of this fund was changed effective July 4, 2006. RBC International RSP Index Fund was formerly known as Royal International RSP Index Fund. The name of this fund was changed effective July 14, 2003.
RBC O'Shaughnessy International Equity Fund	January 17, 2005	In October 2007, the portfolio sub-advisor for this fund was changed from Bear Stearns Asset Management Inc. to O'Shaughnessy Asset Management, L.L.C.

FUND	DATE OF FORMATION	CHANGES
International Equity Funds (continued)		
RBC European Equity Fund	July 7, 1987	<p>RBC European Equity Fund was formerly known as Royal European Equity Fund. The name of this fund was changed effective July 14, 2003.</p> <p>Royal European Equity Fund was formerly known as Royal European Growth Fund. The name of this fund was changed effective July 16, 2002.</p> <p>In July 2002, the fund's primary investment manager assumed management of this fund and RBC Asset Management UK Limited became the sub-advisor of this fund.</p>
RBC Asian Equity Fund	July 12, 1993	<p>RBC Asian Equity Fund was formerly known as Royal Asian Equity Fund. The name of the fund was changed effective July 14, 2003.</p> <p>Royal Asian Equity Fund was formerly known as Royal Asian Growth Fund. The name of the fund was changed effective July 16, 2002.</p> <p>At the close of business on June 28, 2002, the investment objective of the fund was amended to permit the fund's investment in equity securities of companies located or having a principal business interest in Japan.</p> <p>Effective at the close of business on June 28, 2002, the Royal Japanese Stock Fund was merged into the Royal Asian Growth Fund. The formation date shown is that of the continuing fund.</p>
Global Equity Funds		
RBC Global Dividend Growth Fund	December 20, 2000	<p>RBC Global Dividend Growth Fund was formerly known as RBC Global Titans Fund. The name of the fund was changed effective July 1, 2007.</p> <p>RBC Global Titans Fund was formerly known as Royal Global Titans Fund. The name of the fund was changed effective July 14, 2003.</p>
RBC Jantzi Global Equity Fund	July 3, 2007	Not applicable.
RBC O'Shaughnessy Global Equity Fund	January 12, 2007	In October 2007, the portfolio sub-advisor for this fund was changed from Bear Stearns Asset Management Inc. to O'Shaughnessy Asset Management, L.L.C.

FUND	DATE OF FORMATION	CHANGES
Global Equity Funds (continued)		
RBC Global Energy Fund	September 30, 1980	<p>RBC Global Energy Fund was formerly known as RBC Energy Fund. The name of this fund was changed effective July 4, 2006.</p> <p>Effective July 4, 2006, the investment objectives of this fund were amended to permit the fund to invest primarily in energy and energy-related securities without geographic restrictions.</p> <p>RBC Energy Fund was formerly known as Royal Energy Fund. The name of this fund was changed effective July 14, 2003.</p>
RBC Global Precious Metals Fund	October 25, 1988	<p>RBC Global Precious Metals Fund was formerly known as RBC Precious Metals Fund. The name of this fund was changed effective at July 4, 2006.</p> <p>Effective July 4, 2006, the investment objectives of this fund were amended to allow the fund to invest primarily in equity securities of precious metals-related companies and in precious metals without geographic restrictions.</p> <p>RBC Precious Metals Fund was formerly known as Royal Precious Metals Fund. The name of this fund was changed effective July 14, 2003.</p>
RBC Global Consumer and Financials Fund	December 20, 2000	<p>RBC Global Consumer and Financials Fund was formerly known as RBC Global Financial Services Sector Fund. The name of this fund was changed effective July 4, 2006.</p> <p>Effective July 4, 2006, the investment objectives of this fund were amended to allow the fund to invest in the Consumer Discretionary and Consumer Staple sectors.</p> <p>RBC Global Financial Services Sector Fund was formerly known as Royal Global Financial Services Sector Fund. The name of the fund was changed effective July 14, 2003.</p>
RBC Global Health Sciences Fund	December 20, 2000	<p>RBC Global Health Sciences Fund was formerly known as RBC Global Health Sciences Sector Fund. The name of this fund was changed effective July 4, 2006.</p> <p>RBC Global Health Sciences Sector Fund was formerly known as Royal Global Health Sciences Sector Fund. The name of the fund was changed effective July 14, 2003.</p>

FUND	DATE OF FORMATION	CHANGES
Global Equity Funds (continued)		
RBC Global Resources Fund	December 20, 2000	<p>RBC Global Resources Fund was formerly known as RBC Global Resources Sector Fund. The name of this fund was changed effective July 4, 2006.</p> <p>Effective July 4, 2006, the investment objectives of this fund were amended to allow the fund to invest in the Industrials and Utilities sectors.</p> <p>RBC Global Resources Sector Fund was formerly known as Royal Global Resources Sector Fund. The name change was effective July 14, 2003.</p>
RBC Global Technology Fund	May 4, 2000	<p>RBC Global Technology Fund was formerly known as RBC Global Technology Sector Fund. The name of this fund was changed effective July 4, 2006.</p> <p>Effective July 4, 2006, the investment objectives of this fund were amended to allow the fund to invest in the Telecommunications Services sector.</p> <p>RBC Global Technology Sector Fund was formerly known as Royal Global Technology Sector Fund. The name change was effective July 14, 2003.</p> <p>Royal Global Technology Sector Fund was formerly known as Royal e-Commerce Fund. The name change was effective July 16, 2002.</p> <p>At the close of business on June 28, 2002 the investment objective of the fund was amended to expand the mandate of the fund beyond electronic commerce.</p> <p>Effective at the close of business on June 28, 2002, the Royal Global Technology Sector Fund was merged into the Royal e-Commerce Fund. The formation date shown is that of the continuing fund.</p>

Investment practices and restrictions

Investments

Each fund is designed to meet the investment objectives of different investors. Please refer to the simplified prospectus of the funds for a description of the investment objective of each fund.

The fundamental investment objective of a fund may not be changed without the consent of a majority of voting unitholders of the fund. The trustee can make other changes to the investment strategies and activities of a fund without the consent of unitholders, subject to any required approval of the Canadian securities regulators.

Investments in derivative instruments

The funds (with the exception of the RBC Managed Payout Solution and RBC Managed Payout Solution – Enhanced) may use derivatives as permitted by the Canadian securities regulators for hedging or non-hedging purposes. In addition, certain of the underlying funds may use derivatives as permitted by the Canadian securities regulators for hedging or non-hedging purposes. The risk factors associated with the use of derivatives are disclosed in the simplified prospectus of the funds.

Derivatives may be used to participate in changes to a particular market or group of securities without purchasing the securities directly, or to temporarily reduce participation in a particular market in which the underlying fund has already invested. An underlying fund may not expose more than 10 per cent of its assets to derivatives unless it has received permission from the Canadian securities regulatory authorities to exceed that amount. The types of derivatives an underlying fund may use include forward contracts, futures contracts, warrants, options or options on futures, swaps and index participation units.

RBC AM is responsible for managing the risks associated with the use of derivatives. RBC AM has written guidelines that set out the objectives and goals for derivatives trading, which are established and reviewed annually by the board of directors of RBC AM. In addition, RBC AM has written control policies and procedures in place that set out the risk management procedures applicable to derivatives trading. These policies and procedures set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies ensuring that these functions are performed by individuals independent of those who trade. Limits and controls on derivatives trading are part of RBC AM's compliance regime. All derivatives transactions are reviewed by a specially trained team that ensures that the derivative positions of the funds are within the existing control policies and procedures. As the use of derivatives by the funds is limited, RBC AM does not currently conduct simulations to test the portfolio under stress conditions. Derivative strategies are regularly monitored by RBC AM management and reviewed by the Financial Advisory Committee of the Board of Governors of the funds on a quarterly basis. See *Corporate governance of the funds* on page 62. Compliance with these policies and procedures is monitored periodically by internal auditors of Royal Bank. For funds advised by State Street Global Advisors Ltd. (*State Street*) and O'Shaughnessy Asset Management, L.L.C. (*OSAM*), RBC AM receives quarterly confirmations from State Street and OSAM that the funds are in compliance with applicable securities laws relating to the use of derivatives by the funds.

Securities lending transactions, repurchase agreements and reverse repurchase agreements

The funds (with the exception of the portfolios and the RBC Target Funds) may enter into securities lending arrangements and repurchase and reverse repurchase transactions in accordance with the rules of the Canadian Securities Administrators.

Pursuant to an agency agreement, RBC AM has appointed RBC Dexia Investor Services Trust to act as the agent of RBC AM and the funds and to enter into securities lending transactions, repurchase agreements and reverse repurchase agreements on behalf of the funds. The agency agreement provides for the types of transactions that may be entered into by a fund, the types

of portfolio assets of the funds that may be used, collateral requirements, limits on transaction sizes, permitted counterparties to the transactions and investment of any cash collateral. The agent will:

- › ensure that collateral is provided in the form of cash, qualified securities or securities that can be converted into the securities which are the subject of the securities lending, repurchase or reverse repurchase transactions;
- › value the loaned or purchased securities and the collateral every day to ensure that the collateral is worth at least 102 per cent of the value of the securities;
- › invest any cash collateral in accordance with the investment restrictions specified in the agency agreement;
- › invest no more than 50 per cent of the total assets of a fund in securities lending or repurchase transactions at any one time; and
- › assess the creditworthiness of the counterparties to securities lending, repurchase and reverse repurchase transactions.

The securities lending transactions of a fund may be terminated by the fund at any time. Repurchase agreements or reverse repurchase agreements of the funds will have a maximum term of 30 days.

RBC AM and RBC Dexia Investor Services Trust review the agency agreement and the securities lending, repurchase and reverse repurchase arrangements annually to ensure that they comply with Canadian securities regulations and the fund governance policies as described above.

The risk factors associated with securities lending, repurchase and reverse repurchase transactions are disclosed in the simplified prospectus of the funds. RBC AM is responsible for managing the risks associated with securities lending, repurchase and reverse repurchase transactions. RBC AM has written guidelines that set out the objectives and goals with respect to securities lending arrangements, repurchase transactions and reverse repurchase transactions which are established and reviewed annually by the board of directors of RBC AM. RBC AM has written control policies and procedures in place that set out the risk management practices applicable to securities lending, repurchase and reverse repurchase transactions. As the use of securities lending, repurchase and reverse repurchase transactions by the funds is limited, RBC AM does not currently conduct simulations to test the portfolio under stress conditions. Any securities lending arrangements and repurchase and reverse repurchase agreements are monitored regularly by RBC AM management and reviewed by the Financial Advisory Committee of the Board of Governors of the funds. See *Corporate governance of the funds* on page 62. Internal auditors of Royal Bank monitor compliance with these policies and procedures periodically.

Investment restrictions

Subject to the exceptions described below, we manage each of the funds in accordance with the standard mutual fund investment restrictions and practices (*the restrictions*) contained in securities legislation, including National Instrument 81-102 – Mutual Funds (*NI 81-102*) and National Instrument 81-107 – Independent Review Committee for Investment Funds (*NI 81-107*). The restrictions are designed in part to ensure that the investments of the funds are diversified and relatively liquid and to ensure the proper administration of the funds. The exceptions applicable to all funds described below may only be relied upon by a fund where consistent with the investment objectives of the fund.

All funds – related issuer securities

Generally, the restrictions prevent a fund from purchasing the securities of a related issuer. A fund is permitted, however, to purchase the securities of a related issuer if the purchase is made on an exchange on which the securities are listed and traded. This means a fund can purchase, for example, listed common and preferred shares. RBC AM has received relief which permits a fund to purchase debt securities of a related issuer, provided that

- (i) the purchase occurs in the secondary market;

- (ii) the debt security has an approved credit rating by an approved credit rating organization;
- (iii) the price payable is not more than the ask price of the security determined as follows:
 - (A) if the purchase occurs on a marketplace, in accordance with the requirements of the marketplace;
 - (B) if the purchase does not occur on a marketplace,
 - (1) the price at which an independent seller is willing to sell; or
 - (2) not more than the price quoted publicly by an independent marketplace or obtained from an independent party.

RBC AM has also received relief which permits a fund to purchase debt securities of a related issuer (other than asset-backed securities), with a term to maturity of 365 days or more, offered in the primary market (i.e. from the issuer) (an *offering*), provided that:

- (i) the size of the offering is at least \$100 million;
- (ii) at least two arm's-length purchasers collectively purchase at least 20 per cent of the securities issued in the offering;
- (iii) following the purchase, the fund does not have more than 5 per cent of its net assets invested in the debt securities of the issuer;
- (iv) following the purchase, the RBC Funds collectively do not hold more than 20 per cent of the securities issued in the offering; and
- (v) the purchase price is no more than the lowest price paid by any arm's-length purchaser.

All funds – principal trading

Generally, the restrictions prevent a fund from purchasing securities from or selling securities to a related party acting as principal. A fund is, however, permitted to engage in such transactions if the bid and ask price are reported by any public quotation. A fund is also permitted to purchase debt securities from or sell debt securities to another fund, subject to certain conditions in NI 81-102 and NI 81-107. RBC AM has received relief which permits a fund to purchase debt securities from or sell debt securities to a related party that is a principal dealer in the Canadian debt securities market, provided that

- (i) the transaction occurs in the secondary market;
- (ii) the bid and ask price of the security must be determined by reference to a quote from an independent party if not publicly available;
- (iii) a purchase must not be executed at a price higher than the ask price and a sale must not be executed at a price which is lower than the bid price.

All funds – related party underwriting

Generally, a fund is prohibited from investing in securities in respect of which a related party has acted as underwriter during the distribution and for 60 days thereafter. A fund is, however, permitted to purchase debt and equity securities in respect of which a related party has acted as underwriter if certain conditions in NI 81-102 are met, including, in respect of equity securities, that a prospectus is filed in respect of the securities. RBC AM has received relief which permits a fund to purchase equity securities where a prospectus has not been filed, provided that

- (i) the issuer is a reporting issuer in Canada;
- (ii) the conditions which apply to purchases where a prospectus has been filed are complied with.

All funds – inter-fund trades

Under NI 81-102 and NI 81-107, the funds are permitted to engage in certain inter-fund trades subject to certain conditions, including that the inter-fund trade be executed at the "current market price" of the security. RBC AM has received relief which permits a fund to engage in inter-fund trades executed, if the security is an exchange-traded security or a foreign exchange-traded security, at the last sale price, immediately before the trade is executed, on the exchange upon which the security is listed or quoted.

Board of Governors review

Appropriate records of the transactions described above (referred to, collectively, as *Related Party Trading Activities*) must be maintained and, in certain cases, particulars must be filed with the securities regulatory authorities. In addition, the Board of Governors, in its role as the independent review committee of a fund, must approve the policies and procedures of RBC AM in respect of Related Party Trading Activities and the Board of Governors and RBC AM must act in accordance with the requirements of NI 81-107 in respect of standing instructions and reporting to securities regulatory authorities.

The Board of Governors of the funds has approved standing instructions in respect of Related Party Trading Activities. In accordance with the conditions of the applicable standing instructions of the Board of Governors, the Board of Governors reviews Related Party Trading Activities at least quarterly with the exception of the principal trading activities, which are reviewed at least annually. In its review, the Board of Governors considers whether investment decisions in respect of Related Party Trading Activities:

- › were made by RBC AM in the best interests of the fund and were free from any influence of Royal Bank and without taking into account any consideration relevant to Royal Bank or its associates or affiliates;
- › were in compliance with the conditions of the policies and procedures of RBC AM;
- › were in compliance with the applicable standing instructions of the Board of Governors; and
- › achieved a fair and reasonable result for the fund.

The Board of Governors must advise the securities regulatory authorities if it determines that an investment decision in respect of Related Party Trading Activities was not made in accordance with the foregoing requirements.

Additional information about the members of the Board of Governors is disclosed under the heading *Board of Governors* on page 63.

All funds other than money market funds – derivative transactions

The funds have received an exemption from the securities regulatory authorities to extend the category of investments that constitute cash cover for specified derivatives entered into by the funds to include certain liquid fixed-income securities that have a remaining term to maturity of 365 days or less, floating rate securities that have an interest rate reset no later than every 185 days and securities of the RBC money market funds.

The funds have received from the securities regulatory authorities an exemption from certain of the derivatives rules in NI 81-102, which allows the funds, when they use derivative instruments as described under *Investments in derivative instruments* on page 13, to:

- › enter into interest rate swaps, credit default swaps and currency forwards with a remaining term to maturity of greater than three years; and
- › use as cover when a fund has a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized futures or forward contract or when a fund has a right to receive payments under a swap:
 - (i) cash cover in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative;
 - (ii) a right or obligation to sell an equivalent quantity of the underlying interest of the futures or forward contract, and cash cover that, together with margin on account for the position, is not less than the amount, if any, by which the strike price of the futures or forward contract exceeds the strike price of the right or obligation to sell the underlying interest;

- (iii) a right or obligation to enter into an offsetting swap on an equivalent quantity and with an equivalent term and cash cover that, together with margin on account for the position is not less than the aggregate amount, if any, of the obligations of the fund under the swap less the obligations of the fund under such offsetting swap; or
- (iv) a combination of the positions referred to in subparagraphs (i) and (ii) for debt-like securities with a long position in a forward or in a standardized futures or forward contract or of the positions referred to in subparagraphs (i) and (iii) in the case of a swap, that is sufficient, without recourse to other assets of the fund, to enable the fund to acquire the underlying interest of the futures or forward contract or satisfy its obligations under the swap.

Investment restrictions for certain funds

The following specific investment restrictions and practices of the funds mentioned are in addition to, or exceptions from, the restrictions.

RBC Canadian Short-Term Income Fund, RBC Bond Fund and RBC Balanced Fund

The investment restrictions and practices of the RBC Canadian Short-Term Income Fund incorporate the requirements of National Policy No. 29 of the Canadian securities regulatory authorities.

The RBC Canadian Short-Term Income Fund, RBC Bond Fund and RBC Balanced Fund may invest in mortgages.

RBC Bond Fund and RBC Global Bond Fund

There are no limits on the value of the investments made by these funds in securities issued or guaranteed by the Government of Canada, the Government of any province of Canada or the Government of the United States or any agency of the foregoing. Each of the RBC Bond Fund and RBC Global Bond Fund may expose up to 35 per cent of its net assets, through direct investments and permitted derivatives, in securities issued or guaranteed as to principal and interest by one or more national governments, including an agency thereof, the International Bank for Reconstruction and Development (the *World Bank*), the International Finance Corporation, the European Bank for Reconstruction and Development, the Asian Development Bank, the Caribbean Development Bank, the Inter-American Development Bank and the African Development Bank, if such securities are rated AAA by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or a similar rating organization specified in NI 81-102, or up to 20 per cent of its net assets, through direct investments and permitted derivatives, in such securities issued or guaranteed as to principal and interest by one or more national governments, including an agency thereof, or any of the foregoing international organizations, or the European Investment Bank, the Nordic Investment Bank, the European Community and the European Coal and Steel Community, if such securities are rated at least AA by one of such rating organizations. The RBC Global Bond Fund may expose all of its net assets to such securities, but not more than 35 per cent may be exposed to any one of the AAA rated issuers referred to above and not more than 20 per cent may be exposed to any one of the AA rated issuers referred to above or collectively to the European Investment Bank, the Nordic Investment Bank, the European Community and the European Coal and Steel Community.

RBC Global Precious Metals Fund

The fund will not purchase silver or platinum, whether in the form of bullion, coins or receipts or certificates representing the same, if following such purchase more than 20 per cent of the total net assets of the fund (taken at market value at the time of such purchase) would consist of silver and platinum. There is no restriction on the portion of the assets of the fund which may be invested in gold, whether in the form of bullion, coins or receipts or certificates representing the same.

The RBC Global Precious Metals Fund intends to purchase and sell precious metal certificates and account balances through Royal Bank, provided such purchases or sales are at commercial rates available on an arm's-length basis. The fund will deal through Royal Bank only when Royal Bank's prices are at least as advantageous to the fund as other prices revealed by a reasonable sample of the market. The fund's statement of portfolio transactions will contain information about transactions made through Royal Bank, including the date of each transaction, the price, the type of precious metal and the quantity transacted.

Liquidity of the RBC Canadian Short-Term Income Fund

The RBC Canadian Short-Term Income Fund will not invest 50 per cent or more of its portfolio in mortgages. All mortgages are *National Housing Act (NHA)* approved mortgages for which liquidity requirements may be satisfied through the sale of such mortgages in the open market, at a price prevailing for the purchase of comparable Canada Mortgage and Housing Corporation (*CMHC*) insured mortgages by major mortgage investors under similar conditions.

Purchase of mortgages by the RBC Canadian Short-Term Income Fund

The fund is subject to National Policy No. 29, a policy adopted by the Canadian securities regulatory authorities, which in part deals with mortgage acquisition methods of mutual funds and the effect of such methods on the yields to such funds. The material restrictions of the policy are as follows:

Where a fund acquires mortgages from a lending institution with which the fund, its management company and/or the insiders of either of them are dealing at arm's-length, such mortgages shall be acquired at that principal amount which produces at least the yield prevailing for the sale of comparable unserviced mortgages by major mortgage lenders under similar conditions.

In all other cases, mortgages shall be acquired by a fund according to only one of the following three methods:

- (i) at that principal amount which will produce a yield to the fund equal to the interest rate at which the lending institution is making commitments to loan on the security of comparable mortgages at the time of purchase by the fund;
- (ii) at that principal amount which will produce the same yield to the fund as the interest rate charged by the lending institution to the mortgagor on the date of commitment provided that the date of commitment is not more than 120 days prior to the date of acquisition of the mortgage by the fund, and the interest rate is equal to the rate at which the lending institution made commitments to loan on the security of comparable mortgages on the date of commitment; or
- (iii) at that principal amount which will produce a yield to the fund of not more than 1/4 of one per cent less than the interest rate at which the lending institution is making commitments, at the time of the purchase, to loan on the security of comparable mortgages, provided that the lending institution which sells mortgages to the fund has entered into an agreement to repurchase the mortgages from the fund in circumstances benefiting the fund, and that such an agreement is considered by the Canadian Securities Administrators to justify the difference in yield to the fund.

The comparative effect which methods (i), (ii) and (iii) have on the yield to a fund, excluding the effect of other criteria such as administrative charges, are as follows: method (i) and method (ii) will produce the same yield to the fund where there has been no change in the interest rate charged to mortgagors within the 120-day period. Where the interest rate has increased during the 120-day period, method (ii) will produce a lesser yield to the fund than method (i). Where the interest rate has decreased during the 120-day period, method (i) will produce a lesser yield to the fund than method (ii). Method (iii) will produce a yield less than method (i) in all cases. Method (iii) will produce a greater yield to the fund than method (ii) where the interest rate has increased by an amount which is more than the amount of the guarantee fee set out in (iii) (i.e. up to 1/4 of one per cent) during the 120-day period. Method (iii) will produce a lesser yield to the fund than method (ii) where there has been no change in the interest rate, where the interest rate has decreased during the 120-day period or where the interest rate has increased during such period by less than the guarantee fee.

NHA-approved mortgages are insured by CMHC, an agency of the Government of Canada. The fund may purchase such mortgages provided the total amount of such mortgages does not exceed 40 per cent of the net assets of the fund. These mortgages are purchased on the open market, usually through a broker intermediary.

An independent third-party servicing agent engaged by and on behalf of the fund, ResMor Trust Company, administers the CHMC-insured mortgages pursuant to a mortgage servicing agreement between the fund and ResMor Trust Company dated September 22, 2004. In consideration of the mortgage administration services provided by the third-party servicing agent, RBC AM pays an annual fee representing a percentage of the outstanding principal balance of mortgages serviced by the agent.

RBC Canadian Short-Term Income Fund

Portfolio analysis

As at December 31, 2008 the mortgage portfolio of the RBC Canadian Short-Term Income Fund consisted of NHA-approved mortgages which are insured by CMHC. No mortgage in the portfolio as at December 31, 2008 has instalments 90 days or more in arrears. The fund purchases NHA-approved mortgages which are insured by CMHC and which may include mortgages on multi-residential and commercial properties as permitted by applicable laws. The following tables provide information regarding mortgages in the portfolio of the fund as at December 31, 2008 by year of maturity, geographic location and rate of interest. Further details of the mortgage portfolio of the fund are set out in the most recent financial statements of the fund.

Mortgages by Year of Maturity as at December 31, 2008

YEAR ENDED DECEMBER 31	NUMBER OF MORTGAGES	PRINCIPAL (\$000S)	MARKET VALUE (\$000S)
2009	1	7,424	7,424
2011	1	1,990	2,150
Totals	2	9,414	9,574

Mortgages by Geographic Location as at December 31, 2008

LOCATION	NUMBER OF MORTGAGES	PRINCIPAL (\$000S)	MARKET VALUE (\$000S)
Ontario	2	9,414	9,574
Totals	2	9,414	9,574

Mortgages by Contractual Interest Rate as at December 31, 2008

INTEREST RATE (%)	NUMBER OF MORTGAGES	PRINCIPAL (\$000S)	MARKET VALUE (\$000S)
2.00 – 2.60	1	7,424	7,424
6.00 – 6.24	1	1,990	2,150
Totals	2	9,414	9,574

The total cost of mortgages as at December 31, 2008 was \$9,414.

Tax status

Units of all of the funds are, or are expected to be, eligible investments for registered plans and tax-free savings accounts.

Each fund is, or intends to be, a mutual fund trust under the *Income Tax Act* (Canada). None of the funds will therefore engage in any undertaking other than the investment of its funds in property for the purposes of the *Income Tax Act* (Canada). No fund has deviated from this requirement in the last year.

Description of units of the funds

Each fund is divided into multiple series of units and each series of units is divided into units of participation of equal value. Series A, Advisor Series and Series T units are available to all investors. Series D units are available to investors who have accounts with RBC DI. Series F units have lower fees than Series A and Advisor Series units and are available for sale to investors who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealers a

fee directly for investment advice or other services. Series I units are only available to investors who invest and maintain the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealer a fee directly for investment advice or other services. Series O units are only available to institutional investors who make the required minimum investment and minimum subsequent investment, as determined by RBC AM from time to time. No management fees are payable directly by the fund in respect of Series O units. Unitholders of Series O units pay a negotiated management fee directly to RBC AM. Each fund is authorized to issue an unlimited number of units of each series. All units of each series of a fund have equal rights and privileges. The interest of each unitholder in a fund is shown by how many units are registered in the name of such unitholder. There is no fixed issue price (except for the RBC Canadian T-Bill Fund, RBC Canadian Money Market Fund and RBC Premium Money Market Fund, which intend to maintain a unit value as close as possible to \$10 and the RBC \$U.S. Money Market Fund and RBC Premium \$U.S. Money Market Fund, which intend to maintain a unit value as close as possible to US\$10). No unit of a series of a fund has any preference or priority over another unit of the same series of the fund.

No unitholder owns any asset of a fund. Unitholders have only those rights mentioned in this annual information form, the simplified prospectus and in the Declaration of Trust and the amended and restated regulation of the fund.

Units of each of the funds have the following attributes:

1. the units have distribution rights;
2. the units have no voting rights except as described below; as the funds are trusts, there are no annual unitholders' meetings;
3. on the termination of a fund, the assets of the fund will be distributed and all units in the fund will share in the value of the fund;
4. the units have redemption rights;
5. there are no conversion rights, except in limited circumstances;
6. there are no pre-emptive rights;
7. the units of a fund cannot be transferred, except in limited circumstances;
8. there is no liability for further calls or assessments;
9. the units of a fund may be sub-divided or consolidated by the trustee without notice to unitholders of the fund; and
10. subject to the unitholder approval and notice requirements described below, these attributes may be amended from time to time by RBC AM, as trustee of the funds.

Please see *Meeting of unitholders* below for a description of your voting rights as a mutual fund unitholder.

Meeting of unitholders

Unless the funds receive an exemption from the Canadian securities regulatory authorities, the following changes cannot be made to a fund unless a majority of voting unitholders of the fund approve of them:

1. with respect to Advisor Series units only, the introduction of a fee or expense that could result in an increase in charges to the fund or unitholders;
2. with respect to Advisor Series units only, a change in the basis of calculation of a fee or expense that is charged to the fund in a way that could result in an increase in charges to the fund or unitholders;
3. a change in the manager of the fund (other than to an affiliate of RBC AM);
4. a change in the trustee of the fund (other than to an affiliate of RBC AM);
5. a change in the fundamental investment objectives of the fund;

6. in certain cases, if the fund undertakes a reorganization with, or transfer of its assets to, another mutual fund or acquires another mutual fund's assets; and
7. if the unit value of a fund will be calculated less often.

At any meeting of unitholders of a fund or a series of a fund, each unitholder will be entitled to one vote for each whole unit registered in the unitholder's name, except meetings at which the holders of units of another series are entitled to vote separately as a series.

For the RBC Canadian T-Bill Fund, RBC Canadian Short-Term Income Fund, RBC Canadian Dividend Fund, RBC North American Growth Fund and RBC International Equity Fund, an amendment to the Declaration of Trust of the fund which would reduce the amount payable on units of the fund upon liquidation of the fund, or by eliminating any voting rights pertaining thereto, may not be made by the trustee without the consent of unitholders of the fund, given at a meeting of unitholders by a majority of the votes cast on the matter.

In certain circumstances, a fund's reorganization with, or transfer of assets to, another mutual fund may be carried out without the prior approval of the unitholders of the fund provided that the Board of Governors approves the transaction pursuant to NI 81-107, the reorganization or transfer complies with certain requirements of NI 81-102 and NI 81-107, as applicable, and unitholders of the fund are sent a written notice at least 60 days before the effective date of the change.

The auditor of a fund may be changed without the prior approval of the unitholders of the fund provided that the Board of Governors approves the change and unitholders of the fund are sent a written notice at least 60 days before the effective date of the change.

Unitholders will be given 60 days' notice of any amendment to the Declaration of Trust or amended and restated regulation, except the Declaration of Trust may be amended without approval of, or notice to, unitholders of the funds, if the proposed amendment:

- › is not expected to materially adversely affect the interests of unitholders;
- › is intended to ensure compliance with applicable laws, regulations or policies;
- › is intended to provide additional protection to unitholders;
- › is intended to remove conflicts or inconsistencies or to correct typographical, clerical or other errors; or
- › is intended to facilitate the administration of a fund or to respond to amendments to the *Income Tax Act* (Canada) which might otherwise adversely affect the interests of the fund or its unitholders.

Because no sales charges and no redemption fees apply to Series A, Series T, Series D, Series F, Series I or Series O units of the funds, a meeting of unitholders of these series is not required to be held to approve the introduction of a fee or expense that could result in an increase in charges to those series or unitholders of those series, or any changes in the basis of calculation of a fee or expense that is charged to those series in a way that could result in an increase in charges to those series. Any such changes will only be made if notice is mailed to the applicable unitholders at least 60 days prior to the valuation date on which the increase is to take effect. Any proposed increase in the management fees or administration fees of a fund must be approved by the Board of Governors. Any change to the maximum annual management expense ratio of a fund may only be made after delivery of a notice to the applicable unitholders at least 60 days prior to the date on which the increase is to take effect.

Copies of the simplified prospectus and financial statements of an underlying fund will be delivered to unitholders of a portfolio at no cost by calling us at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French).

Calculation of unit value

You buy or redeem units of each series of a fund at the net asset value per unit for a series of a fund (*unit value*). The issue or redemption price of units of a series of a fund is the next unit value of that series of the fund determined after the receipt of the purchase or redemption order. The unit value of each series of a fund is determined (in U.S. dollars in the case of the RBC \$U.S. Money Market Fund, RBC Premium \$U.S. Money Market Fund and the RBC \$U.S. Income Fund) on each valuation date after the Toronto Stock Exchange (*TSX*) closes or at such other time that the trustee of the funds decides (*valuation time*). The valuation date for a fund is any day when RBC AM's office in Toronto is open for business.

Here is how we calculate the unit value of a series of a fund:

- › We take the value of all the investments and other assets allocated to the series.
- › We subtract the liabilities allocated to the series. This gives us the net asset value for the series.
- › We divide this amount by the total number of units of the series that investors in the fund are holding. That gives us the unit value for the series.

We will determine in good faith whether liabilities of a fund are attributable to all or only certain series of the fund.

To determine what your investment in a fund is worth, simply multiply the unit value of the series you own by the number of units you own.

Although no assurance can be given as to its ability to do so, each of the Royal Canadian T-Bill Fund, RBC Canadian Money Market Fund and RBC Premium Money Market Fund intends to maintain its unit value at \$10 per unit by crediting daily all of its net income and net realized capital gains, if any, to accounts maintained for the benefit of unitholders and distributing these amounts in the manner described in the simplified prospectus of the funds. Similarly, each of the RBC \$U.S. Money Market Fund and RBC Premium \$U.S. Money Market Fund intend to maintain its unit value at US\$10 per unit by crediting daily all of its net income, if any, and by crediting annually an amount of net realized capital gains, if any, to such accounts and distributing these amounts in the manner described in the simplified prospectus. Accordingly, the value of credited but undistributed net income and net realized capital gains, if any, of each such fund is not included in the calculation of unit value as such amounts are accounted for separately.

Valuation of securities held by a fund

The value of any security or property held by a fund or any of its liabilities will be determined in the following way:

- › Cash, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received or receivable, distributions receivable and interest accrued and not yet received, will be valued at their full amount unless RBC AM has determined that the cash or other asset is not worth that amount. RBC AM will then determine a reasonable value.
- › Securities quoted in foreign currencies are translated to Canadian dollars using the prevailing rate of exchange as quoted by customary banking sources on the valuation date.
- › If the unit value of a fund is also expressed in a foreign currency (meaning, in the case of the RBC \$U.S. Money Market Fund, RBC Premium \$U.S. Money Market Fund and the RBC \$U.S. Income Fund, a currency other than that of the United States), the value in foreign currency is determined by using the prevailing rate of exchange as quoted by customary banking sources on the valuation day.

- › Other than the money market funds, all funds value bonds, debentures and other obligations by taking the average of the latest available bid and asked quotations on the valuation date. Notes and money market instruments are valued at their current market value on the valuation date. RBC AM may determine this value based on the cost of the investments, which approximates market value after taking into account accrued interest which is recorded separately from the investment. If short-term instruments are sold, the difference between the cost and the proceeds (less income previously credited for such security) will be recorded as income not capital.
- › Debt securities held by the money market funds will be valued at cost, which approximates market value after taking into account accrued interest which is recorded separately from the investment. If short-term instruments are sold, the difference between the cost thereof and the proceeds (less income previously credited for such security) will represent an adjustment to income, not capital, of the fund.
- › The value of any security which is listed or dealt in any stock exchange or exchanges is generally determined by taking its latest available sale price of a board lot on the principal stock exchange on which it is listed. However, the following exceptions apply:
 - where RBC AM is lacking any such sales or records, or if the last such sale is not within the latest available bid and ask quotations on the valuation date, RBC AM will have the discretion to determine the fair value of the listed security based on market quotations RBC AM believes most closely reflect the fair value of the investment;
 - in calculating the value of inter-listed investments, RBC AM may permit over-the-counter (*OTC*) rather than stock exchange quotations to be used when they appear to reflect more closely the fair value of any particular investment; but if such stock exchange or *OTC* quotations do not properly reflect the prices which would be received by the fund upon the disposal of such investments, RBC AM may place values upon such investments which appear to it to reflect most closely the fair value of such investments; and
 - in calculating the value of foreign securities listed or dealt in exchanges outside North America, RBC AM will place values upon such securities which appear to reflect most closely the fair value of such securities.
- › Long positions in clearing corporation options, options on futures, *OTC* options, debt-like securities and listed warrants shall be valued at their current market value.
- › Where a covered clearing corporation option, option on futures or *OTC* option is written, the premium received by a fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or *OTC* option that would have the effect of closing the position. Any differences resulting from the revaluation will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in arriving at the net asset value of the fund. The securities, if any, which are the subject of a written clearing corporation option or *OTC* option will be valued at their current market value.
- › The value of a futures contract, forward contract or swap will be the gain or loss that would be realized if, on the valuation date, the position in the futures contract, forward contract or swap, as the case may be, were to be closed out unless *daily limits* are in effect, in which case fair value, based on the current market value of the underlying interest, shall be determined by RBC AM.
- › Margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.
- › The value of any security which is not listed or dealt in upon any stock exchange is determined at the most recently available sale price on a valuation date, or if such sale price is not available, at a sale price determined by RBC AM, based on relevant market and/or company data that RBC AM believes most closely reflects the fair value of the investment.
- › In this annual information form, unless otherwise indicated, *current market value* means the most recently available sale price applicable to the relevant security on the principal exchange on which it is traded immediately preceding the valuation time on the valuation date, provided that, if no sale has taken place on a valuation date, the average of the bid and ask quotations immediately prior to the valuation time on the valuation date shall be used.

- › In the case of the RBC Canadian Short-Term Income Fund, RBC Bond Fund and RBC Balanced Fund, mortgages are valued at the principal amounts which would produce yields equal to the prevailing rates of return for mortgage loans of similar type and terms, after making allowances for servicing fees of up to 1/2 of one per cent to cover the administration of the mortgages and net of any provision for potential losses for mortgages in arrears. A publicly announced change in interest rates may result in changes to these commitment rates on a valuation date. An increase in the commitment rate has the effect of decreasing the net asset value of the fund and of each unit of the fund and a decrease in such commitment rate has the effect of increasing the net asset value of the fund and of each unit of the fund.
- › Units of the various underlying funds held by an RBC Fund will be valued at their respective unit values on the relevant valuation date.
- › Units of the underlying funds held by the RBC Select Choices Portfolios will be valued at their net asset value as communicated by the managers of the underlying funds to RBC AM.
- › Unit value for the RBC U.S. Equity Fund or RBC U.S. Mid-Cap Equity Fund is determined in Canadian dollars in accordance with the rules set forth above. For clients who hold units of such funds denominated in U.S. dollars, the U.S. dollar unit value of such funds is determined by converting the unit value determined in Canadian dollars into U.S. dollars using the rate of exchange in effect at the close of business on the valuation date.
- › In determining the unit value of the RBC Global Precious Metals Fund, the value of precious metals is determined at the most recently available sale price on a valuation date, or if such sale price is not available, at a sale price determined by RBC AM, based on relevant market and/or company data that RBC AM believes most closely reflects the fair value of the investment.
- › If a valuation date of a fund is not a business day for a specific market, the prices or quotations of the prior business day will be used to value any asset or liability for such market.
- › If the valuation principles described above are not appropriate, RBC AM will determine a value which it considers to be fair and reasonable. On December 17, 2008, RBC AM could not apply the valuation principles described above with respect to Canadian equity securities listed on the TSX when technical difficulties on the exchange resulted in trading being suspended. At that time, it used a value which it considered to be fair and reasonable for such securities.

In accordance with National Instrument 81-106 – Investment Fund Continuous Disclosure, the fair value of the securities used to determine the net asset value per unit of a series (*Pricing NAV*) will be based on the funds' valuation rules set out above, which may not be the same as the Canadian GAAP requirements. Canadian GAAP requires that the fair value of actively traded securities held by a fund should be valued at the bid price, instead of the close price or last sale price of the securities for the day. Hence, the reported value of securities held by a fund in the annual and interim financial statements may be different from the fair value of the securities used to determine Pricing NAV. The financial statements of the funds will disclose the Pricing NAV for each series.

Purchases, switches and redemptions of units

How to buy, redeem and switch

It is up to you or your investment professional, if applicable, to determine which series is appropriate for you. Different series may have different minimum investment levels and may require you to pay different fees.

Series A units

Series A units are available:

- (i) through RMFI by:
 - › visiting an RBC Royal Bank* branch,

* RBC Royal Bank is the brand name for personal and commercial banking in Canada, serving small and medium-sized business and mid-market commercial clients in Canada.

- › calling 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French) to speak to a RMFI licensed representative, or
- › using RBC Royal Bank's Online Banking service at www.rbconlinebanking.com; or

(ii) through other authorized dealers, including RBC DS and RBC DI.

Advisor Series units

Advisor Series units are available through authorized dealers, including RBC DS and RBC DI.

Series T units

Series T units are available through authorized dealers, including RBC DS and RBC DI.

Series F units

Series F units are available to investors who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealer a fee directly for investment advice or other services. We do not pay any commission to dealers who sell Series F units, which means that we can charge a lower management fee.

For Series A, Advisor Series, Series T and Series F units, you must invest and maintain a minimum balance for each fund. The amount of such minimum balance is set out in the simplified prospectus of the funds.

Series D units

Series D units are available to investors who have accounts with RBC Direct Investing, where you must invest and maintain a minimum balance of \$10,000 for each fund and any additional investments must be at least \$25. We pay a reduced trailing commission to RBC DI in respect of Series D units, which means we can charge a lower management fee. RBC DI does not provide investment recommendations or advice to its clients. If you wish to transfer your holdings of units of a fund to an RBC DI account you must contact RBC DI. **If you hold units of a fund, other than Series D units, in an RBC DI account and become eligible to hold Series D units, you may instruct RBC DI to reclassify your units but it will not be done automatically.**

Series D units may also be available to investors who have accounts with Phillips, Hager & North Investment Funds Ltd. (*PHN IF*), where the account minimums established by PHN IF from time to time are satisfied.

Series I units

Series I units are only available to investors who invest and maintain the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealer a fee directly for investment advice or other services. We do not pay any commission to dealers who sell Series I units, which means that we can charge a lower management fee.

Series O units

Series O units are only available to institutional investors who make the required minimum investment and minimum subsequent investment, as determined by RBC AM from time to time. No management fees are payable directly by the fund in respect of Series O units. Unitholders of Series O units pay a negotiated management fee directly to RBC AM.

All series

If your balance falls below the minimum required balance for a particular fund or series, or you otherwise become ineligible to hold a particular fund or series, we may redeem or reclassify your units, as applicable. If your balance for RBC Premium Money Market Fund or RBC Premium \$U.S. Money Market Fund falls below the minimum required balance, we may switch your units to the same series of units of the RBC Canadian Money Market Fund or RBC \$U.S. Money Market Fund, as applicable, or we may redeem your units. If we redeem, reclassify or switch your units the effect will be the same as if you initiated the transaction. For redemptions in non-registered plans, we may transfer the proceeds to you, and for redemptions in registered plans, we may transfer the proceeds to a registered savings deposit within the plan. We will not give you or your dealer notice prior to taking any action.

For us to act on an order to buy, redeem, reclassify or switch units, the branch, telephone salesperson or dealer must send the order to us on the same day it is received and assume all associated costs.

If we receive your order before 4:00 p.m. Eastern time, your order will be processed using that day's unit value. A separate unit value is calculated for each series of units. If we receive your order after 4:00 p.m. Eastern time, your order will be processed using the next business day's unit value. If we determine that the unit value will be calculated at a time other than after the usual closing time of the TSX, the unit value paid or received will be determined relative to that time. All orders are processed within three business days. If you are placing your order through a dealer other than RMFI, the dealer may establish earlier cut-off times. Check with your dealer for details.

RBC Royal Bank customers with RMFI non-registered accounts are able to view, buy, redeem and switch RBC Funds using RBC Royal Bank's Online Banking service at www.rbconlinebanking.com. Customers with RBC Royal Bank RRSP accounts are able to view, buy or switch units of the RBC Funds within these accounts online. For Online Banking transactions, if RMFI receives your order before 3:00 p.m. Eastern time, you will pay or receive that day's unit price, unless a different cut-off time is established by the trustee. If RMFI receives your order after 3:00 p.m. Eastern time, you will pay or receive the unit value on the next business day.

Within three business days after a purchase order is received, the trustee will issue the units, subject to its right of rejection, at the unit value of the series on the date that the purchase order was received. Units may be issued only in exchange for cash.

RBC AM may accept or reject purchase orders, in whole or in part, within one business day of the order. If a purchase order is rejected, the monies received with the order will be returned to the investor immediately.

Your dealer may make arrangements with you that will require you to compensate your dealer for any losses suffered by the dealer in connection with a failed purchase order caused by you.

Restrictions on purchases of units of certain funds

The RBC \$U.S. Money Market Fund, the RBC Premium \$U.S. Money Market Fund, the RBC \$U.S. Income Fund, the RBC Managed Payout Solution and the RBC Managed Payout Solution – Enhanced are not available for purchase in registered plans or TFSAs administered by RBC Royal Bank.

Units of the RBC Monthly Income Fund are only available for purchase through non-registered accounts and are not available for purchase through registered plans or TFSAs. Registered plans with pre-authorized purchase plans established with RBC AM on or prior to December 9, 2005 may continue to purchase units of the RBC Monthly Income Fund.

Units of the RBC O'Shaughnessy U.S. Growth Fund are no longer available for purchase, except through a pre-authorized purchase plan established with RBC AM prior to June 30, 2006 and through automatic reinvestment of distributions.

Units of the RBC O'Shaughnessy Canadian Equity Fund are no longer available for purchase, other than through a pre-authorized purchase plan established by RBC AM prior to January 19, 2007 and through automatic reinvestment of distributions.

Series I units of the RBC Canadian T-Bill Fund, the RBC Canadian Money Market Fund and the RBC \$U.S. Money Market Fund are no longer available for purchase.

Purchase options for Advisor Series units

When you invest in Advisor Series units of the funds you may choose any of the following three purchase options:

- › Initial sales charge (*paying when you buy your Advisor Series units*) – a negotiable sales charge of between zero per cent and five per cent of the amount you invest is paid to your dealer.
- › Deferred sales charge (*paying when you redeem your Advisor Series units*) – no sales charge is payable at the time of purchase. We will pay the dealer a selling commission of five per cent of the net asset value of the Advisor Series units purchased by an investor choosing this option. See *Deferred sales charge option* in the simplified prospectus for a summary of the charges payable by investors with respect to this purchase option if the Advisor Series units are redeemed within a period of six years from the date of purchase.
- › Low-load sales charge (*paying when you redeem your Advisor Series units*) – no sales charge is payable at the time of purchase. We will pay the dealer a selling commission of one per cent of the net asset value of the Advisor Series units purchased by an investor choosing this option. See *Low-load sales charge option* in the simplified prospectus for a summary of the charges payable by investors with respect to this purchase option if the Advisor Series units are redeemed within a period of two years from the date of purchase.

Your dealer can help you decide which option is right for you. The sales charge compensates your dealer for the advice and service he or she provides to you.

Advisor Series units of the funds are available under one or more sales charge options, as follows:

	INITIAL SALES CHARGE OPTION	DEFERRED SALES CHARGE OPTION	LOW-LOAD SALES CHARGE OPTION
RBC Advisor Canadian Bond Fund	Yes	No	No
RBC Monthly Income Fund	Yes	No	Yes
RBC \$U.S. Income Fund			
RBC Global Bond Fund			
RBC Canadian Dividend Fund			
RBC O'Shaughnessy Canadian Equity Fund			
RBC O'Shaughnessy All-Canadian Equity Fund			
RBC O'Shaughnessy U.S. Value Fund			
RBC O'Shaughnessy U.S. Growth Fund II			
RBC O'Shaughnessy International Equity Fund			
RBC O'Shaughnessy Global Equity Fund			
All other funds offering Advisor Series units	Yes	Yes	Yes

Switches and reclassifications of units

A switch is the exchange of units of one fund for units of another. You can switch units from one RBC Fund to another as long as you:

- › maintain the relevant minimum balance in each fund; and
- › switch for units purchased under the same sales charge option (Advisor Series only).

You can only switch between units of RBC Funds denominated in the same currency. See *Purchases, switches and redemptions – How to buy, redeem and switch* in the simplified prospectus for the funds.

You can change your investment from units of one series of a fund to units of another series of the same fund if you are eligible to hold units of the second series. This is called a reclassification. If you cease to be eligible to hold units of a series because you no longer meet the relevant eligibility requirements, your units will be reclassified into units of the series of the fund that you are eligible to hold. A reclassification of units will not result in a capital gain or loss because a reclassification is not considered a redemption or other disposition of the reclassified units for tax purposes.

Once we receive your order to switch, we will sell your units in the fund you are switching from as described below under *Redemptions* and use the proceeds to buy units of the fund or RBC Fund to which you are switching.

If a unitholder requests a switch from one fund to another RBC Fund, the purchase of units of the RBC Fund will be at the unit value of the series of units on the date of redemption from the first fund.

Switching may result in a capital gain or loss for tax purposes. See *Income tax considerations* on page 66.

Restrictions on purchases of units of certain funds also apply in respect of switches into units of those funds. See *Restrictions on purchases of units of certain funds* on page 26.

Redemptions

You can sell units at any time. This is called a redemption. Your dealer must send your redemption request on the same day it is received. Redemption requests will be processed in the order in which they are received. The fund will not process redemption requests specifying a forward date or specific price. Your dealer will assume all associated costs.

Redemption requests for the RBC Premium Money Market Fund must be for an amount of at least \$100 and redemption requests for the RBC Premium \$U.S. Money Market Fund must be for an amount of at least US\$100. Redemption requests for the RBC \$U.S. Money Market Fund and the RBC \$U.S. Income Fund must be for an amount of at least US\$25, and redemption requests for all other RBC Funds must be for an amount of at least \$25 (unless the account balance is less than \$25).

Within three business days following each valuation date, the trustee will pay to each unitholder who has requested a redemption the value of the units determined on the valuation date. If all of a unitholder's units in a fund are redeemed, any net income and net realized capital gains relating to the units which have been made payable prior to the valuation date will also be paid to the unitholder. In the case of the RBC \$U.S. Money Market Fund, RBC Premium \$U.S. Money Market Fund and the RBC \$U.S. Income Fund, such payment will be made in U.S. dollars. In the case of clients holding units of the RBC U.S. Equity Fund or RBC U.S. Mid-Cap Equity Fund, such payment will be made in the same currency in which the units are held. If a unitholder redeems only some of its units in a fund, the proceeds will be paid as described above and net income and net realized capital gains attributable to the units will be paid to the unitholder in accordance with the fund's distribution policy, as described in the fund's simplified prospectus. Payments will be considered made upon deposit of the redemption proceeds in the unitholder's bank account or the mailing of a cheque in a postage prepaid envelope addressed to the unitholder unless the cheque is not honoured for payment.

Your redemption or switch transaction will not be processed until your dealer has received all documentation. Your dealer will inform you of the documentation it requires. Your dealer must provide all required documents within 10 business days of the date your redemption order is processed. If not, we will repurchase the units for your account. If the cost of repurchasing the units is less than the redemption proceeds, the fund will keep the difference. If the cost of repurchasing the units is more than the redemption proceeds, your dealer must pay the difference and any related costs. Your dealer may require you to reimburse the amount paid if the dealer suffers a loss.

When you may not be allowed to redeem your units

Under extraordinary circumstances, you may not be allowed to redeem your units. We may refuse your order to redeem if:

- › normal trading is suspended on any stock exchange or market where more than 50 per cent of the assets of a fund are listed or traded; or
- › we get permission from the Canadian Securities Administrators to temporarily suspend the redemption of units.

A fund will not allow the purchase of units when the right to redeem units is suspended.

Responsibility for operations of the funds

Manager, trustee and portfolio advisor

RBC AM is the manager, trustee and portfolio advisor of the funds. The address, phone number and website address of RBC AM is Royal Trust Tower, P.O. Box 7500, Station A, Toronto, Ontario, M5W 1P9, 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French) and www.rbcam.com. You can contact us by email at funds.investments@rbc.com (English) or fonds.investissements@rbc.com (French).

RBC AM manages the funds pursuant to the Declaration of Trust. RBC AM is responsible for the day-to-day operations of the funds, including valuation services and security holder records, and appoints portfolio advisors which manage the funds' investments and supervise brokerage arrangements for the purchase and sale of fund securities and other assets. RBC AM also appoints distributors for the funds. RBC AM is paid a fee as compensation for the services it provides to each fund. The amount of such fees is set out in the simplified prospectus of the funds. RBC AM currently manages other mutual funds offered to the public.

As trustee, RBC AM holds the property of each fund (other than certain mortgage assets of the RBC Canadian Short-Term Income Fund) on behalf of the unitholders of the fund. RBC AM may resign as trustee provided that unitholders of the fund approve of the new trustee. Unitholder approval is not required if the new trustee is an affiliate of RBC AM but 60 days' notice of the new trustee will be given to unitholders of the fund. The Declaration of Trust may be amended in the manner described under *Description of units of the funds*.

The name and municipality of residence, position and office held with RBC AM and current principal occupation of each of the directors and executive officers of RBC AM are as follows:

NAME	MUNICIPALITY OF RESIDENCE	POSITION AND OFFICE HELD WITH RBC AM	CURRENT PRINCIPAL OCCUPATION
Daniel E. Chornous	Toronto, Ontario	Director and Chief Investment Officer, RBC AM ¹	Chief Investment Officer, RBC AM and Chief Investment Officer, PH&N
Douglas Coulter	Toronto, Ontario	Director and President, RBC AM	President, RBC AM
M. George Lewis	Toronto, Ontario	Director and Chairman, RBC AM	Group Head, Wealth Management, Royal Bank

NAME	MUNICIPALITY OF RESIDENCE	POSITION AND OFFICE HELD WITH RBC AM	CURRENT PRINCIPAL OCCUPATION
Frank Lipka	Vaughan, Ontario	Chief Financial Officer and Chief Operating Officer, RBC AM	Head, Middle Office, Asset Management, Wealth Management, Royal Bank
Anne Lockie	Toronto, Ontario	Director, RBC AM	Head of Sales, Canadian Banking, Royal Bank
John S. Montalbano	Vancouver, British Columbia	Director and Chief Executive Officer, RBC AM ¹	Head, Global Asset Management, Wealth Management, Royal Bank
Stuart Rutledge	Toronto, Ontario	Director, RBC AM	Head, Finance and Strategy, Wealth Management, Royal Bank
Carol Sands	Aurora, Ontario	Chief Compliance Officer, RBC AM	Chief Compliance Officer, RBC AM
Richard E. Talbot	Toronto, Ontario	Director, RBC AM ¹	Managing Director, RBC DS
Ann Louise Vehovec	Toronto, Ontario	Director, RBC AM	Senior Vice President, Strategic Projects, Royal Bank
Brenda J. Vince	Toronto, Ontario	Director, RBC AM ¹	Head, Wealth Management Strategy and Enterprise Investment Solutions, Wealth Management, Royal Bank
Gina Zapras	Vaughan, Ontario	Corporate Secretary, RBC AM ¹	Subsidiary Governance Officer, Canada, Royal Bank

¹ These individuals are also directors and/or officers of PH&N, an affiliate of RBC AM.

Each of the people listed above has held his or her current position with the manager and his or her principal occupation during the five years preceding the date hereof, except for Daniel E. Chornous who became Chief Investment Officer of PH&N as of May 1, 2008, Douglas Coulter, who from November 2005 to January 2009 was President and Chief Executive Officer, RBC DI and prior thereto was Head of Canadian Wealth Management Services, Royal Bank, John S. Montalbano, who from 2009 is also Chief Executive Officer, PH&N, and from 2005 to 2009 was President, PH&N and from 1991 to 2005 was Vice President, PH&N, Stuart Rutledge, who prior to May 2007 held various finance positions in the Toronto Head Office, Royal Bank and Carol Sands, who from January 2001 to October 2006 was the Compliance Officer and Corporate Secretary with Russell Investments Canada Limited and from October 2006 to June 2007 was Assistant Chief Compliance Officer, RBC AM.

Principal distributor

RMFI is the principal distributor of Series A units of the funds pursuant to the terms of a distribution agreement between RBC AM and RMFI dated as of February 12, 2004. The distribution agreement may be terminated on 30 days' written notice by either party. The address of RMFI is 200 Bay Street, Royal Bank Plaza, South Tower, 9th Floor, Toronto, Ontario, M5J 2J5.

RBC DI is the principal distributor of Series D units of the funds. The address of RBC DI is 200 Bay Street, Royal Bank Plaza, South Tower, 9th Floor, Toronto, Ontario, M5J 2J5.

Investment advisors

The following are the investment advisors for the funds:

NAME OF FUND	INVESTMENT SUB-ADVISOR
RBC O'Shaughnessy Canadian Equity Fund RBC O'Shaughnessy All-Canadian Equity Fund RBC O'Shaughnessy U.S. Value Fund RBC O'Shaughnessy U.S. Growth Fund RBC O'Shaughnessy U.S. Growth Fund II RBC O'Shaughnessy International Equity Fund RBC O'Shaughnessy Global Equity Fund	O'Shaughnessy Asset Management, L.L.C., Stamford, Connecticut
RBC Balanced Fund (for the European equity portion of the fund) RBC Jantzi Balanced Fund (for the European equity portion of the fund) RBC International Equity Fund (for the European equity portion of the fund) RBC European Equity Fund ¹ RBC Jantzi Global Equity Fund (for the European equity portion of the fund)	RBC Asset Management UK Limited, London, England
RBC Balanced Fund (for the Asian equity portion of the fund) RBC Jantzi Balanced Fund (for the Asian equity portion of the fund) RBC International Equity Fund (for the Asian equity portion of the fund) RBC Asian Equity Fund RBC Jantzi Global Equity Fund (for the Asian equity portion of the fund)	RBC Investment Management (Asia) Limited, Hong Kong, China
RBC Canadian Index Fund RBC U.S. Index Fund RBC U.S. Index Currency Neutral Fund RBC International Index Currency Neutral Fund	State Street Global Advisors Ltd., Montreal, Quebec
All other funds ²	RBC AM, Toronto, Ontario

¹ Prior to July 1, 2002, BT Fund Management (International) Limited, Sydney, Australia was the investment sub-advisor of the fund.

² Prior to June 29, 2001, Phoenix/Zweig Advisers LLC was the investment sub-advisor of RBC U.S. Mid-Cap Equity Fund.

The investment advisors provide investment analysis and recommendations with respect to the funds. As compensation for their services, the investment advisors named above (with the exception of RBC AM) (the *sub-advisors*) receive a fee from RBC AM. These fees are not charged to the funds.

RBC AM is responsible for the investment advice given by the sub-advisors. Investors should be aware that there may be difficulty enforcing legal rights against the sub-advisors because they may be resident outside Canada and all or a substantial portion of their assets are situated outside Canada. As manager of the funds, RBC AM will at all times have overall responsibility for the management of the funds' investment portfolios, subject to the control and direction of the trustee.

The name, title and length of service by persons employed by RBC AM or the sub-advisors who are principally responsible for the day-to-day management of a fund or implementing its investment strategy are shown in the tables below:

O'Shaughnessy Asset Management, L.L.C.

NAME	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
James O'Shaughnessy	Chairman and Chief Executive Officer	Associated with OSAM since 2007; prior thereto was employed by Bear Stearns Asset Management Inc. or its affiliates since 2001

The investment decisions of Mr. O'Shaughnessy made on behalf of O'Shaughnessy Asset Management, L.L.C. (*OSAM*) are not subject to the oversight, approval or ratification of any committee. The investment decision-making process is supported by the proprietary quantitative approach to stock selection based on research and analysis of historical data. The investment sub-advisor agreement between RBC AM and OSAM dated October 1, 2007, as amended (the *OSAM Agreement*) provides that OSAM may be terminated by RBC AM as investment sub-advisor to the RBC O'Shaughnessy Funds at any time for cause, following provision of notice in accordance with the OSAM Agreement.

RBC Asset Management UK Limited

NAME	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Dominic Wallington	Chief Investment Officer	Associated with RBC AM since 2007; prior thereto, associated with Invesco Perpetual
Vittorio Fegitz	Senior Portfolio Manager	Received M.Sc. from the London School of Economics associated with this sub-advisor since 1997

The investment decisions of Messrs. Wallington and Fegitz made on behalf of RBC Asset Management UK Limited are not subject to the oversight, approval or ratification of any committee. The investment decision-making process is supported by research and analysis by the investment team within RBC Asset Management UK Limited. The investment sub-advisor agreement between RMFI, which was previously the manager of the funds, RBC Global Investment Management Inc. (*RBC GIM*), which amalgamated with RBC Funds Inc. (*RBC FI*) to form RBC AM effective July 1, 2003, and RBC Global Investment Management Limited (now called RBC Asset Management UK Limited) and assigned by RMFI to RBC FI as of January 31, 2002 provides that it may be terminated on 30 days' prior written notice given by RBC AM or by RBC Asset Management UK Limited. RBC AM also has the right to terminate the agreement immediately if RBC Asset Management UK Limited commits certain acts or fails to perform its duties under the agreement. The agreement automatically terminates on the termination of RBC AM as principal advisor in connection with the fund.

RBC Investment Management (Asia) Limited

NAME	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Yoji Takeda	Director and Vice President, Asian Equities	Received MBA from Harvard Business School; associated with this sub-advisor since 1994

The investment decisions of Mr. Takeda made on behalf of RBC Investment Management (Asia) Limited (*RBCIMAL*) are not subject to the oversight, approval or ratification of any committee. The investment decision-making process is supported by research and analysis by the investment team within RBCIMAL. The investment sub-advisor agreement between RMFI, which was previously the manager of the funds, RBC GIM, which amalgamated with RBC FI to form RBC AM effective July 1, 2003, and RBCIMAL and assigned by RMFI to RBC FI as of January 31, 2002 provides that it may be terminated on 30 days' prior written notice given by RBC AM or by RBCIMAL. RBC AM also has the right to terminate the agreement immediately if RBCIMAL commits certain acts or fails to perform its duties under the agreement. The agreement automatically terminates on the termination of RBC AM as principal advisor in connection with the fund.

State Street Global Advisors Ltd.

Pursuant to an investment sub-advisor agreement dated as of September 4, 1998, between RMFI, which was previously the manager of the funds, and RBC GIM, which amalgamated with RBC FI to form RBC AM effective July 1, 2003, and which was assigned by RMFI to RBC FI as of January 31, 2002, RBC AM has retained State Street Global Advisors Ltd. (*State Street*) as investment sub-advisor to provide investment advice and portfolio management services to RBC AM in respect of the RBC Canadian Index Fund, the RBC U.S. Index Fund, the RBC U.S. Index Currency Neutral Fund and the RBC International Index Currency Neutral Fund. State Street has the day-to-day responsibility for buying and selling the securities for each index fund in accordance with each index fund's investment objectives.

State Street is based in Montreal, Quebec and is an indirect wholly-owned subsidiary of State Street Corporation of Boston, Massachusetts. State Street and its affiliates are among the world's leading providers of investment management services with extensive expertise and leadership in index-based investment management.

The appointment of State Street may be terminated by RBC AM at any time following provision of notice in accordance with the investment sub-advisor agreement.

RBC Asset Management Inc.

The portfolio managers at RBC AM are responsible for certain funds, as listed below.

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Daniel E. Chornous	All funds	Director and Chief Investment Officer	Received B. Comm. from University of Manitoba; Chartered Financial Analyst; associated with RBC AM since 2002
Paul Johnson	RBC Global Dividend Growth Fund	Vice President and Senior Portfolio Manager, Global Equities	Associated with RBC AM since 1997
M. George Lewis	RBC Global Dividend Growth Fund	Director and Chairman, RBC AM ¹	Associated with RBC AM since 2000
Sarah Riopelle	RBC Managed Payout Solution RBC Managed Payout Solution – Enhanced RBC Select Very Conservative Portfolio RBC Select Conservative Portfolio RBC Select Choices Conservative Portfolio RBC Select Balanced Portfolio RBC Select Choices Balanced Portfolio RBC Select Growth Portfolio RBC Select Choices Growth Portfolio	Portfolio Manager, Investment Solutions	Chartered Financial Analyst; associated with RBC AM since 2003

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
	RBC Select Aggressive Growth Portfolio RBC Select Choices Aggressive Growth Portfolio RBC Target 2010 Education Fund RBC Target 2015 Education Fund RBC Target 2020 Education Fund RBC Target 2025 Education Fund		
Warner Sulz	RBC North American Growth Fund	Vice President and Senior Portfolio Manager, Canadian Equities	Associated with PH&N since 2009 and associated with RBC AM since 2009 and from 1992 to 2008

¹ Mr. Lewis is also a director of RBC DS, an affiliate of RBC AM. See *Brokerage arrangements* on page 37 and *Conflicts of interest – Affiliated entities* on page 61.

The portfolio managers at RBC AM who are members of RBC AM's Global Fixed Income and Currencies Committee are listed below. This committee is responsible for the management of the RBC Bond Fund and the fixed income portion of the RBC \$U.S. Income Fund. Members of this committee are also responsible for certain other funds as listed below.

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Marty Balch	RBC Global Corporate Bond Fund	Senior Portfolio Manager, Global Fixed Income and Currencies	Chartered Financial Analyst; associated with RBC AM since 2000
Soo Boo Cheah	RBC Global Bond Fund RBC Global Corporate Bond Fund	Portfolio Manager, Global Fixed Income and Currencies	Received MBA from University of New Brunswick; Chartered Financial Analyst; associated with RBC AM since 2000
Dagmara Fijalkowski	RBC Global Bond Fund	Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies	Received MBA from University of Western Ontario; Chartered Financial Analyst; associated with RBC AM since 1997
Frank Gambino	RBC Global High Yield Fund RBC Global Corporate Bond Fund	Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies	Received MBA from McMaster University; Chartered Financial Analyst; associated with RBC AM since November 2001
Suzanne Gaynor	RBC Advisor Canadian Bond Fund RBC Canadian Bond Index Fund RBC Monthly Income Fund RBC Managed Payout Solution – Enhanced Plus	Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies	Associated with RBC AM since 1988

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Jane Lesslie	RBC Global High Yield Fund	Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies	Chartered Financial Analyst; associated with RBC AM since 1994
Walter Posiewko	RBC Canadian T-Bill Fund RBC Canadian Money Market Fund RBC Premium Money Market Fund RBC \$U.S. Money Market Fund RBC Premium \$U.S. Money Market Fund RBC Canadian Short-Term Income Fund	Vice President and Senior Portfolio Manager, Global Fixed Income and Money Markets	Received MBA from Concordia University; Chartered Financial Analyst; associated with RBC AM since 1995

The portfolio managers at RBC AM who are members of RBC AM's Canadian Equity Committee are listed in the table below. This committee is responsible for the management of the RBC Canadian Equity Fund. Members of this committee are also responsible for certain other funds as listed below.

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Chris Beer	RBC Global Precious Metals Fund RBC Global Resources Fund	Vice President and Senior Portfolio Manager, Global Equities	Received MBA from University of Toronto; Chartered Financial Analyst; associated with RBC AM since 2000
François Forget		Associate Portfolio Manager, Canadian Equities	Chartered Financial Analyst; associated with RBC AM since 2006; prior thereto associated with TD Newcrest (a division of TD Securities)
Stu Kedwell	RBC Monthly Income Fund RBC Canadian Dividend Fund RBC Jantzi Canadian Equity Fund RBC North American Value Fund	Senior Vice President and Co-Head, Canadian Equities	Associated with RBC AM since 2002
Jennifer McClelland	RBC Monthly Income Fund RBC Canadian Equity Income Fund	Vice President and Senior Portfolio Manager, Canadian Equities	Associated with RBC AM since 1995
Marcello Montanari	RBC North American Growth Fund	Vice President and Senior Portfolio Manager, Canadian Equities	Chartered Financial Analyst; associated with RBC AM since 1997

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Doug Raymond	RBC Monthly Income Fund RBC Canadian Dividend Fund RBC Jantzi Canadian Equity Fund RBC North American Value Fund	Senior Vice President and Co-Head, Canadian Equities	Associated with RBC AM since 2002
Cory Jacobson	RBC Global Energy Fund RBC Global Resources Fund	Associate Portfolio Manager, Canadian Equities and Global Equities	Chartered Financial Analyst; associated with RBC AM since 2005; prior thereto associated with Royal Bank
Brahm Spilfogel	RBC Global Precious Metals Fund RBC Global Resources Fund	Vice President and Portfolio Manager, Canadian Equities	Chartered Financial Analyst; associated with RBC since 1995
Gordon P. Zive	RBC Global Energy Fund	Vice President and Senior Portfolio Manager, Canadian and Global Equities	Received MBA from Dalhousie University; Chartered Financial Analyst; associated with RBC AM since 1988

The portfolio managers at RBC AM who are members of RBC AM's U.S. Equity Committee are listed in the table below. This committee is responsible for the management of the RBC U.S. Equity Fund, RBC U.S. Equity Currency Neutral Fund, RBC U.S. Mid-Cap Equity Fund and the RBC U.S. Mid-Cap Equity Currency Neutral Fund. Members of this committee are also responsible for certain other funds as listed below.

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Cameron Hurst	RBC \$U.S. Income Fund RBC North American Dividend Fund RBC Global Consumer and Financials Fund	Associate Portfolio Manager, U.S. and Global Equities	Associated with RBC AM since 2007; prior thereto, associated with Waterfall Investments, Toronto, from 2006 to 2007 and Portales Partners, New York from 2003 to 2005
James Learmonth	RBC \$U.S. Income Fund RBC North American Dividend Fund RBC Jantzi Global Equity Fund	Associate Portfolio Manager, U.S. Equities	Chartered Financial Analyst; associated with RBC AM since 2000
Ray Mawhinney	RBC North American Growth Fund RBC Global Consumer and Financials Fund RBC Global Technology Fund RBC Life Science and Technology Fund	Senior Vice President and Portfolio Manager, U.S. and Global Equities	Associated with RBC AM since 1992

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
George Marcoccia		Senior Portfolio Manager, U.S. Equities	Associated with RBC AM since 2002
Cameron Scrivens	RBC Life Science and Technology Fund RBC Global Health Sciences Fund RBC Global Technology Fund	Vice President and Senior Portfolio Manager, U.S. and Global Equities	Received MBA from the University of Toronto; associated with RBC AM since 2007; prior thereto, associated with Scotia Capital
Brad Willock	RBC \$U.S. Income Fund RBC North American Dividend Fund RBC North American Value Fund	Vice President and Senior Portfolio Manager, U.S. Equities	Associated with RBC AM since 2002

Daniel Chornous, Dagmara Fijalkowski, Suzanne Gaynor, Stu Kedwell, Ray Mawhinney, Martin Paleczny, Doug Raymond and Milos Vukovic are members of RBC AM's Investment Policy Committee. This committee is responsible for the management of the RBC Balanced Fund, the RBC Balanced Growth Fund and the RBC Jantzi Balanced Fund. In addition to the information provided above, members of this committee are also responsible for certain other funds as listed below.

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Martin Paleczny	RBC Managed Payout Solution – Enhanced Plus RBC Jantzi Global Equity Fund	Vice President and Senior Portfolio Manager, Asset Allocation and Derivatives	Chartered Financial Analyst; associated with RBC AM since 1994
Milos Vukovic		Vice President, Investment Policy	Received MBA from York University; Chartered Financial Analyst; associated with RBC AM since 2003

The investment decisions of the individuals or committees listed in the tables above made on behalf of RBC AM are not subject to the oversight, approval or ratification of any committee. The investment decision-making process is supported by research, analysis and internal investment committees. Investment decisions are overseen by the Chief Investment Officer.

The assessment and monitoring of underlying funds for the RBC Select Choices Portfolios is based on the comprehensive research and analysis of RBC Mutual Fund Research, which works with RBC AM. RBC AM provides asset allocation, monitoring, rebalancing and related investment management services to the portfolios. RBC AM does not participate in the investment management of underlying funds other than underlying RBC Funds. The underlying fund selection process is described in the simplified prospectus of the portfolios.

Brokerage arrangements

RBC AM or the sub-advisor of a fund makes decisions as to the purchase and sale of fund securities, including underlying funds and other assets of the funds such as cash and term deposits as well as decisions regarding the execution of portfolio transactions of a fund, including the selection of market, broker and the negotiation of commissions.

In effecting portfolio transactions, RBC AM places brokerage business with numerous investment dealers and brokers on the basis of the best execution, which includes consideration of both price and service, which seeks to benefit the fund. Subject to these requirements, RBC AM, on behalf of certain of the funds, has established standard brokerage arrangements with RBC DS, an investment dealer which is an affiliate of RBC AM. Purchases of units of the underlying funds are effected by RBC AM through RBC DS pursuant to an agreement which has been entered into on competitive terms and conditions.

Brokerage business in respect of securities other than units of underlying funds is allocated by portfolio advisors based on quality of service and the terms offered for specific transactions. From time to time brokerage business may be allocated to RBC DS, an investment dealer which is an affiliate of Royal Bank. The business will be on competitive terms and conditions, including as to brokerage fees. There are no ongoing contractual arrangements with any broker, other than RBC DS, with respect to securities transactions of the funds.

Since June 27, 2008, the following persons or companies have provided investment decision-making services, in respect of RBC Canadian Equity Fund, RBC Balanced Fund, RBC North American Growth Fund, RBC Canadian Dividend Fund, RBC North American Value Fund, RBC Balanced Growth Fund, RBC U.S. Equity Fund, RBC Global Precious Metals Fund, RBC Global Energy Fund, RBC Monthly Income Fund, RBC Managed Payout Solution – Enhanced Plus, RBC Canadian Equity Income Fund (formerly, RBC Canadian Diversified Income Trust Fund), RBC Global Consumer and Financials Fund, RBC Global Health Sciences Fund, RBC Global Resources Fund, RBC U.S. Equity Currency Neutral Fund, RBC U.S. Mid-Cap Equity Currency Neutral Fund, RBC Jantzi Balanced Fund, RBC Jantzi Global Equity Fund and RBC U.S. Mid-Cap Equity Fund in the nature of research, statistical and similar services to RBC AM in return for the allocation by RBC AM of portfolio transactions:

- CIBC World Markets Inc.
- Credit Suisse Securities (USA) Inc.
- Empirical Research Partners
- Haywood Securities Inc.
- Instinet, LLC
- Investment Technology Group
- JP Morgan Chase & Co.
- Merrill Lynch Canada Inc.
- Merrill Lynch & Co., Inc.
- Piper Jaffray Companies
- Scotia Capital Inc.
- TD Securities Inc.
- UBS Securities Canada Inc.
- UBS Securities LLC

Since June 27, 2008, the following persons or companies have provided investment decision-making services in the nature of research, statistical and similar services to RBC AM, the remuneration for which was paid through commissions on brokerage transactions executed on behalf of RBC AM:

- BCA Research
- Bell Curve Trading
- Capital IQ
- Coburn Ventures, LLC
- Computerized Portfolio Management Services Inc.
- Davis, Mendel & Regenstein, Inc.
- Empirical Research Partners

Equity Research Associates
Eurasia Group Ltd.
Forefactor Inc.
Off Wall Street Consulting Group Inc.
Phases & Cycles Inc.
Reuters Canada Ltd.
Ross Smith Energy Group Ltd.
Starmine Corporation
T.S. Ortslan & Associates
Veritas Investment Research
W. Robert Hoye
Wolfe Research, LLC
Yardini Research Inc.

Custodian

RBC Dexia Investor Services Trust of Toronto, Ontario is the custodian of the assets of the funds pursuant to an amended and restated master custodial agreement between RBC AM and The Royal Trust Company (*Royal Trust*) dated July 15, 2005, which was assigned by Royal Trust to RBC Dexia Investor Services Trust on January 1, 2006 (the *Master Custodial Agreement*). RBC Dexia Investor Services Trust receives a fee from RBC AM for the custodial services provided to the funds. Either party may terminate the Master Custodial Agreement by giving the other party 30 days' notice.

RBC DS of Toronto, Ontario is a principal subcustodian of the RBC Select Choices Portfolios pursuant to a subcustodian agreement with Royal Trust dated May 4, 2000, which was assigned by Royal Trust to RBC Dexia Investor Services Trust on January 1, 2006. RBC DS is an investment dealer and an affiliate of Royal Bank and holds a material portion of the units of the underlying funds of the portfolios.

The CMHC-insured mortgage assets of the RBC Canadian Short-Term Income Fund are administered by ResMor Trust Company of Calgary, Alberta pursuant to a written agreement dated September 22, 2004.

Auditor

The auditor of the funds is Deloitte & Touche LLP of Toronto, Ontario.

Registrar

Royal Bank and RBC Dexia Investor Services Trust keep a record of who owns all fund units. The register of the funds is kept in Montreal, Quebec.

Independent Review Committee

The Board of Governors acts as the independent review committee that each fund is required to have under Canadian securities laws. The Board of Governors reviews and provides input on conflict of interest matters in respect of RBC AM and the funds. The Board of Governors also provides advice to RBC AM on other issues relating to the management of the funds. See *Corporate governance of the funds* on page 62.

Conflicts of interest

Principal holders of securities

(a) Funds

Except as stated below, as at June 5, 2009, no person or company owns of record or, to the knowledge of the relevant fund or the manager, beneficially, directly or indirectly, more than 10 per cent of the outstanding units of any series of the funds.

RBC Canadian T-Bill Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	591	I	100.0%

RBC Canadian Money Market Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Conservative Portfolio	Record and Beneficial	18,578,536	0	13.0%
RBC Select Balanced Portfolio	Record and Beneficial	21,894,871	0	15.3%
Individual Investor A*	Record and Beneficial	2,073,732	I	13.1%
Individual Investor B*	Record and Beneficial	2,018,223	I	12.8%
Individual Investor C*	Record and Beneficial	1,852,668	I	11.7%

RBC Premium Money Market Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor D*	Record and Beneficial	15,007,957	I	34.6%
Individual Investor E*	Record and Beneficial	4,441,195	I	10.2%

RBC \$U.S. Money Market Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor F*	Record and Beneficial	381,165	I	68.3%
Individual Investor G*	Record and Beneficial	92,659	I	16.6%
Individual Investor H*	Record and Beneficial	61,023	I	10.9%
Individual Investor I*	Record and Beneficial	2,171,522	0	31.3%

RBC Premium \$U.S. Money Market Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor J*	Record and Beneficial	1,760,646	I	37.0%
Individual Investor K*	Record and Beneficial	1,554,533	I	32.7%
Individual Investor L*	Record and Beneficial	744,487	I	15.7%
Individual Investor M*	Record and Beneficial	500,469	I	10.5%

RBC Canadian Short-Term Income Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	521	I	100.0%
RBC Select Conservative Portfolio	Record and Beneficial	57,000,668	0	48.9%
RBC Select Balanced Portfolio	Record and Beneficial	15,613,531	0	13.4%
Individual Investor N*	Record and Beneficial	147,651	F	34.7%

RBC Bond Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	933	I	100.0%
RBC Select Conservative Portfolio	Record and Beneficial	163,757,144	O	39.2%
RBC Select Balanced Portfolio	Record and Beneficial	156,891,402	O	37.5%
Individual Investor O*	Record and Beneficial	137,228	F	14.8%

RBC Advisor Canadian Bond Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC DS Balanced Global Portfolio	Record and Beneficial	3,321,231	F	45.5%
RBC DS Growth Global Portfolio	Record and Beneficial	2,013,476	F	27.6%

RBC Monthly Income Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Conservative Portfolio	Record and Beneficial	16,819,591	O	65.6%
RBC Managed Payout Solution	Record and Beneficial	8,776,742	O	34.2%

RBC \$U.S. Income Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor P*	Record and Beneficial	60,365	F	73.8%
Individual Investor Q*	Record and Beneficial	18,570	Advisor	25.7%
Individual Investor R*	Record and Beneficial	7,637	Advisor	10.6%

RBC Global Bond Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	106	I	100.0%
RBC Select Conservative Portfolio	Record and Beneficial	23,946,865	0	31.7%
RBC Select Balanced Portfolio	Record and Beneficial	35,100,696	0	46.4%
RBC Select Growth Portfolio	Record and Beneficial	9,661,393	0	12.8%
Individual Investor S*	Record and Beneficial	9,755	F	20.1%
Individual Investor T*	Record and Beneficial	4,960	F	10.2%

RBC Global Corporate Bond Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	662	I	100.0%
RBC Select Conservative Portfolio	Record and Beneficial	4,786,365	0	10.6%
RBC Select Balanced Portfolio	Record and Beneficial	11,477,438	0	25.4%
RBC Select Growth Portfolio	Record and Beneficial	11,506,060	0	25.5%
RBC Managed Payout Solution	Record and Beneficial	14,027,395	0	31.1%
RBC DS Balanced Global Portfolio	Record and Beneficial	2,081,876	F	55.9%
RBC DS Growth Global Portfolio	Record and Beneficial	1,251,626	F	33.6%

RBC Global High Yield Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Managed Payout Solution – Enhanced	Record and Beneficial	9,577,277	0	100.0%

RBC Managed Payout Solution

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor U*	Record and Beneficial	20,026	F	47.5%
Individual Investor V*	Record and Beneficial	6,754	F	16.0%
Individual Investor W*	Record and Beneficial	4,996	F	11.9%

RBC Managed Payout Solution – Enhanced

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor X*	Record and Beneficial	15,970	F	80.7%

RBC Managed Payout Solution – Enhanced Plus

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Managed Payout Solution	Record and Beneficial	13,783,955	0	29.7%
RBC Managed Payout Solution – Enhanced	Record and Beneficial	32,696,170	0	70.3%

RBC Balanced Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor Y*	Record and Beneficial	185,404	F	19.3%
Individual Investor Z*	Record and Beneficial	12,386,535	I	100.0%
Individual Investor AA*	Record and Beneficial	1,603,267	O	55.5%
Individual Investor BB*	Record and Beneficial	1,285,459	O	44.5%

RBC Balanced Growth Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor CC*	Record and Beneficial	7,276	F	10.0%
Individual Investor DD*	Record and Beneficial	32,849	O	99.7%

RBC Jantzi Balanced Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	406,213	A	15.2%
Royal Bank of Canada	Record and Beneficial	111	I	100.0%
Individual Investor EE*	Record and Beneficial	16,548	Advisor	23.1%
Individual Investor FF*	Record and Beneficial	9,844	Advisor	13.7%
Individual Investor GG*	Record and Beneficial	12,214	F	41.2%
Individual Investor HH*	Record and Beneficial	10,516	F	35.5%
Individual Investor II*	Record and Beneficial	2,999	F	10.1%

RBC Select Very Conservative Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	101	F	100.0%
Individual Investor JJ*	Record and Beneficial	11,207	Advisor	22.1%
Individual Investor KK*	Record and Beneficial	7,014	Advisor	13.8%

RBC Select Conservative Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor LL*	Record and Beneficial	31,427	F	19.7%
Individual Investor MM*	Record and Beneficial	16,135	F	10.1%
Individual Investor NN*	Record and Beneficial	297,430	O	62.7%
Individual Investor OO*	Record and Beneficial	176,816	O	37.3%

RBC Select Balanced Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor PP*	Record and Beneficial	16,866	F	27.1%
Individual Investor QQ*	Record and Beneficial	8,567	F	13.8%
Individual Investor RR*	Record and Beneficial	7,540	F	12.1%
Individual Investor SS*	Record and Beneficial	576,071	O	67.4%
Individual Investor TT*	Record and Beneficial	279,229	O	32.6%

RBC Select Growth Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor UU*	Record and Beneficial	3,810	F	25.7%
Individual Investor VV*	Record and Beneficial	2,777	F	18.7%
Individual Investor WW*	Record and Beneficial	2,770	F	18.7%
Individual Investor XX*	Record and Beneficial	1,491	F	10.1%
Individual Investor YY*	Record and Beneficial	439,633	0	76.9%
Individual Investor ZZ*	Record and Beneficial	131,719	0	23.1%

RBC Select Aggressive Growth Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor AAA*	Record and Beneficial	10,807	F	60.4%
Individual Investor BBB*	Record and Beneficial	17,174	Advisor	45.5%
Individual Investor CCC*	Record and Beneficial	7,746	Advisor	20.5%
Individual Investor DDD*	Record and Beneficial	7,022	Advisor	18.6%
Individual Investor EEE*	Record and Beneficial	490,448	0	89.7%
Individual Investor FFF*	Record and Beneficial	56,538	0	10.3%

RBC Select Choices Conservative Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor GGG*	Record and Beneficial	6,094	Advisor	12.4%
Individual Investor HHH*	Record and Beneficial	5,434	Advisor	11.1%
Individual Investor III*	Record and Beneficial	5,226	Advisor	10.6%
Individual Investor JJJ*	Record and Beneficial	5,193	Advisor	10.6%

RBC Select Choices Balanced Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor KKK*	Record and Beneficial	10,934	Advisor	11.0%

RBC Select Choices Growth Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor LLL*	Record and Beneficial	8,160	Advisor	18.3%

RBC Select Choices Aggressive Growth Portfolio

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor MMM*	Record and Beneficial	3,374	Advisor	31.1%
Individual Investor NNN*	Record and Beneficial	3,121	Advisor	28.7%

RBC Canadian Dividend Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Conservative Portfolio	Record and Beneficial	10,205,258	0	33.3%
RBC Select Balanced Portfolio	Record and Beneficial	6,780,401	0	22.1%
RBC Managed Payout Solution	Record and Beneficial	3,300,323	0	10.8%
RBC Managed Payout Solution – Enhanced	Record and Beneficial	4,768,718	0	15.6%
Individual Investor 000*	Record and Beneficial	2,308,542	I	78.0%

RBC Canadian Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	210	I	100.0%
RBC Select Conservative Portfolio	Record and Beneficial	13,403,081	0	21.0%
RBC Select Balanced Portfolio	Record and Beneficial	23,679,433	0	37.1%
RBC Select Growth Portfolio	Record and Beneficial	18,321,622	0	28.7%

RBC Jantzi Canadian Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	116	I	100.0%
Individual Investor PPP*	Record and Beneficial	6,107	Advisor	11.9%
Individual Investor QQQ*	Record and Beneficial	5,297	Advisor	10.3%
Individual Investor RRR*	Record and Beneficial	5,119	Advisor	10.0%
Individual Investor SSS*	Record and Beneficial	7,783	F	13.8%
Individual Investor TTT*	Record and Beneficial	6,139	F	10.9%

RBC O'Shaughnessy Canadian Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor UUU*	Record and Beneficial	17,792	Advisor	22.0%

RBC O'Shaughnessy All-Canadian Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor VVV*	Record and Beneficial	634,354	0	97.1%

RBC Canadian Equity Income Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor WWW*	Record and Beneficial	10,241	F	25.0%
Individual Investor XXX*	Record and Beneficial	6,240	F	15.2%

RBC North American Dividend Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor YYY*	Record and Beneficial	23,749	0	98.8%

RBC North American Value Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor ZZZ*	Record and Beneficial	47,226	F	16.0%
Individual Investor AAAA*	Record and Beneficial	34,750	F	11.8%
Individual Investor BBBB*	Record and Beneficial	29,876	F	10.1%

RBC North American Growth Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Balanced Portfolio	Record and Beneficial	11,227,672	0	49.9%
RBC Select Growth Portfolio	Record and Beneficial	9,315,796	0	41.4%
Individual Investor CCCC*	Record and Beneficial	2,352	F	14.4%

RBC U.S. Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	211	I	100.0%
RBC Select Conservative Portfolio	Record and Beneficial	26,480,633	0	26.1%
RBC Select Balanced Portfolio	Record and Beneficial	42,980,930	0	42.4%
RBC Select Growth Portfolio	Record and Beneficial	25,175,433	0	24.8%
Individual Investor DDDD*	Record and Beneficial	8,923	Advisor	19.9%

RBC U.S. Equity Currency Neutral Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Aggressive Growth Portfolio	Record and Beneficial	2,595,509	0	100.0%

RBC O'Shaughnessy U.S. Value Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Choices Balanced Portfolio	Record and Beneficial	3,195,835	0	28.5%
RBC Select Choices Growth Portfolio	Record and Beneficial	2,166,455	0	19.3%
RBC Select Choices Aggressive Growth Portfolio	Record and Beneficial	1,460,923	0	13.0%
RBC Target 2020 Education Fund	Record and Beneficial	1,604,582	0	14.3%
Individual Investor EEEE*	Record and Beneficial	318,382	I	70.6%
Individual Investor FFFF*	Record and Beneficial	131,915	I	29.2%

RBC U.S. Mid-Cap Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	59	I	100.0%
RBC Select Balanced Portfolio	Record and Beneficial	11,631,058	0	60.7%
RBC Select Growth Portfolio	Record and Beneficial	5,494,425	0	28.7%
Individual Investor GGGG*	Record and Beneficial	584	Advisor	36.8%
Individual Investor HHHH*	Record and Beneficial	299	Advisor	18.9%
Individual Investor IIII*	Record and Beneficial	226	Advisor	14.3%
Individual Investor JJJJ*	Record and Beneficial	202	Advisor	12.8%
Individual Investor KKKK*	Record and Beneficial	7,142	F	12.5%

RBC U.S. Mid-Cap Equity Currency Neutral Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	205,201	A	18.3%
Individual Investor LLLL*	Record and Beneficial	5,349	Advisor	32.8%
Individual Investor MMMM*	Record and Beneficial	2,051	Advisor	12.6%
Individual Investor NNNN*	Record and Beneficial	1,790	Advisor	11.0%
Individual Investor OOOO*	Record and Beneficial	2,926	F	47.9%
Individual Investor PPPP*	Record and Beneficial	1,676	F	27.4%
Individual Investor QQQQ*	Record and Beneficial	654	F	10.7%

RBC O'Shaughnessy U.S. Growth Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Choices Balanced Portfolio	Record and Beneficial	1,106,378	0	52.0%
RBC Select Choices Growth Portfolio	Record and Beneficial	717,680	0	33.7%
Individual Investor RRRR*	Record and Beneficial	126,178	F	11.6%

RBC O'Shaughnessy U.S. Growth Fund II

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor SSSS*	Record and Beneficial	184,548	F	14.8%

RBC Life Science and Technology Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor TTTT*	Record and Beneficial	1,576	F	24.9%
Individual Investor UUUU*	Record and Beneficial	1,387	F	21.9%
Individual Investor VVVV*	Record and Beneficial	732	F	11.6%
Individual Investor WWWW*	Record and Beneficial	701	F	11.1%

RBC International Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Conservative Portfolio	Record and Beneficial	504,332	0	26.3%
RBC Select Balanced Portfolio	Record and Beneficial	528,529	0	27.6%
RBC Select Growth Portfolio	Record and Beneficial	426,789	0	22.3%
RBC Select Aggressive Growth Portfolio	Record and Beneficial	454,385	0	23.7%
Individual Investor XXXX*	Record and Beneficial	3,775	Advisor	10.1%

RBC O'Shaughnessy International Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Choices Conservative Portfolio	Record and Beneficial	947,013	0	13.6%
RBC Select Choices Balanced Portfolio	Record and Beneficial	2,532,902	0	36.3%
RBC Select Choices Growth Portfolio	Record and Beneficial	1,594,035	0	22.8%
RBC Select Choices Aggressive Growth Portfolio	Record and Beneficial	1,238,641	0	17.7%
Individual Investor YYYY*	Record and Beneficial	1,349,993	I	56.0%
Individual Investor ZZZZ*	Record and Beneficial	926,906	I	38.5%

RBC European Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Conservative Portfolio	Record and Beneficial	21,619,287	0	28.8%
RBC Select Balanced Portfolio	Record and Beneficial	31,244,178	0	41.7%
RBC Select Growth Portfolio	Record and Beneficial	18,431,751	0	24.6%
Individual Investor AAAAA*	Record and Beneficial	1,490	Advisor	12.0%
Individual Investor BBBB*	Record and Beneficial	1,306	Advisor	10.5%

RBC Asian Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
RBC Select Conservative Portfolio	Record and Beneficial	18,964,746	0	28.3%
RBC Select Balanced Portfolio	Record and Beneficial	27,381,152	0	40.9%
RBC Select Growth Portfolio	Record and Beneficial	15,928,368	0	23.8%
Individual Investor CCCCC*	Record and Beneficial	4,965	F	12.9%
Individual Investor DDDDD*	Record and Beneficial	4,847	F	12.6%
Individual Investor EEEEE*	Record and Beneficial	1,732	Advisor	11.5%

RBC Global Dividend Growth Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	107	I	100.0%
RBC Select Balanced Portfolio	Record and Beneficial	21,477,860	0	52.4%
RBC Select Growth Portfolio	Record and Beneficial	16,954,564	0	41.4%
Individual Investor FFFFF*	Record and Beneficial	25,770	F	18.3%

RBC Jantzi Global Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	202,391	A	17.9%
Royal Bank of Canada	Record and Beneficial	122	I	100.0%
Individual Investor GGGGG*	Record and Beneficial	9,488	Advisor	15.9%
Individual Investor HHHHH*	Record and Beneficial	16,024	F	21.4%
Individual Investor IIIII*	Record and Beneficial	14,191	F	18.9%
Individual Investor JJJJJ*	Record and Beneficial	12,789	F	17.1%
Individual Investor KKKKK*	Record and Beneficial	8,866	F	11.8%

RBC O'Shaughnessy Global Equity Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	125	I	100.0%
Individual Investor LLLLL*	Record and Beneficial	2,627,142	O	99.5%

RBC Global Energy Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Individual Investor MMMMM*	Record and Beneficial	5,000	F	10.2%

RBC Global Consumer and Financials Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	299,999	A	42.5%
Royal Bank of Canada	Record and Beneficial	261	F	100.0%
Royal Bank of Canada	Record and Beneficial	638	Advisor	35.2%
Individual Investor NNNNN*	Record and Beneficial	434	Advisor	23.9%
Individual Investor OOOOO*	Record and Beneficial	428	Advisor	23.6%
Individual Investor PPPPP*	Record and Beneficial	183	Advisor	10.1%

RBC Global Health Sciences Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	612	Advisor	13.3%
Individual Investor QQQQQ*	Record and Beneficial	1,595	Advisor	34.8%
Individual Investor RRRRR*	Record and Beneficial	564	Advisor	12.3%
Individual Investor SSSSS*	Record and Beneficial	500	Advisor	10.9%
Individual Investor TTTTT*	Record and Beneficial	4,552	F	34.9%
Individual Investor UUUUU*	Record and Beneficial	2,786	F	21.4%
Individual Investor VVVVV*	Record and Beneficial	2,087	F	16.0%

RBC Global Technology Fund

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF EACH SERIES
Royal Bank of Canada	Record and Beneficial	1,069	F	20.3%
Individual Investor WWWW* [*]	Record and Beneficial	2,247	F	42.5%
Individual Investor XXXX* [*]	Record and Beneficial	1,339	F	25.4%
Individual Investor YYYY* [*]	Record and Beneficial	621	F	11.8%
Individual Investor ZZZZ* [*]	Record and Beneficial	4,117	Advisor	10.8%
Individual Investor AAAA* [*]	Record and Beneficial	4,042	Advisor	10.6%

* To protect the privacy of individual investors, we have omitted the name of the individual investor. This information is available on request by contacting us at the telephone number on the back cover of this annual information form.

(b) Manager

Except as stated below, as at June 5, 2009, no person or company owned of record or, to the knowledge of the manager, beneficially, directly or indirectly, more than 10 per cent of the outstanding shares of RBC AM, the manager of the funds.

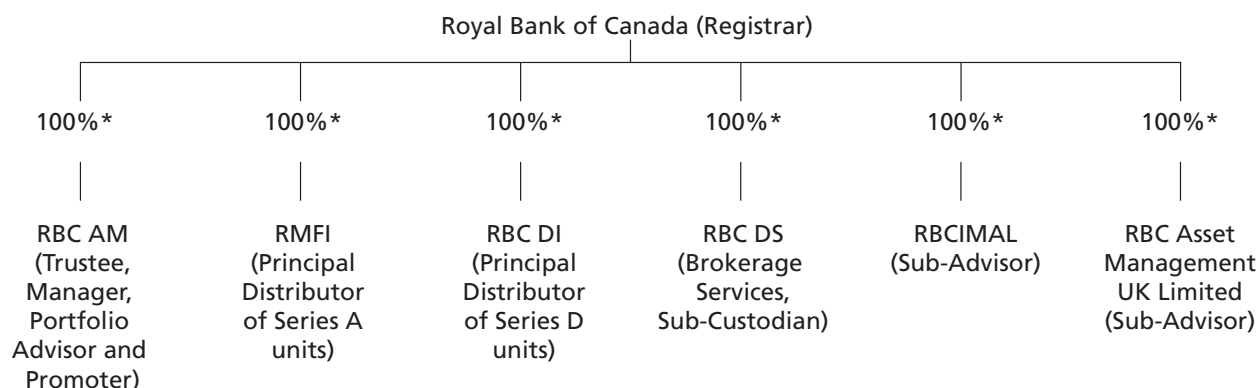
NAME	TYPE OF OWNERSHIP	NUMBER OF SHARES OWNED	PERCENTAGE OF OUTSTANDING SHARES
Royal Bank of Canada	Record and Beneficial	75,000 Common Shares	100.00%

The percentage of securities of each class or series of voting or equity securities of Royal Bank beneficially owned, directly or indirectly, in aggregate, by all the directors and officers of RBC AM is no more than 0.08 per cent, and by all members of the Board of Governors is no more than 0.003 per cent.

Royal Bank indirectly owns 100 per cent or 60,000 and 1,000,000, respectively, of the outstanding common shares of RMFI and RBC DI.

Affiliated entities

The following companies that provide services to the funds or RBC AM in relation to the funds are affiliated with RBC AM:



* Indirect wholly owned subsidiaries of Royal Bank of Canada.

The fees paid to RBC DS are contained in the audited financial statements of the funds.

The following individuals are directors or officers of RBC AM and also of an affiliated entity of RBC AM that provides services to the funds or RBC AM in relation to the funds:

NAME	POSITION WITH MANAGER	POSITION WITH AFFILIATE
Douglas Coulter	Director and President	Senior Vice President, Royal Bank; Director, RMFI
M. George Lewis	Director and Chairman	Group Head, Wealth Management, Royal Bank; Director, RBC DS
Frank Lippa	Chief Financial Officer and Chief Operating Officer	Director, Chairman, RBC Asset Management UK Limited
Anne Lockie	Director	Director, Chairman, President and Chief Executive Officer, RMFI; Executive Vice President, Royal Bank; Director, RBC DI
John S. Montalbano	Director and Chief Executive Officer	Executive Vice President, Royal Bank
Stuart Rutledge	Director	Vice President, Royal Bank
Ann Louise Vehovec	Director	Senior Vice President, Royal Bank

NAME	POSITION WITH MANAGER	POSITION WITH AFFILIATE
Richard E. Talbot	Director	Managing Director, RBC DS
Brenda J. Vince	Director	Senior Vice President, Royal Bank
Gina Zapras	Corporate Secretary	Corporate Secretary, RMFI; Assistant Corporate Secretary, RBC DS; Assistant Corporate Secretary, RBC DI

As disclosed in the table above, certain directors or officers of RBC AM may also be directors or officers of Royal Bank, RMFI, RBC DI, RBC Asset Management UK Limited or RBC DS. Although PH&N does not currently provide services to RBC AM, PH&N is an affiliated entity of RBC AM. John S. Montalbano, Richard E. Talbot and Warner Sulz are directors and/or officers of RBC AM as well as PH&N. RBC AM has established appropriate policies and procedures to minimize the potential for conflicts between the interests of RBC AM and any affiliated entities. In particular, RBC AM has policies and procedures which deal with the trading in common shares of Royal Bank and offerings underwritten by RBC DS and to ensure that any brokerage business allocated to RBC DS will be on the basis of best execution and will be on competitive terms and conditions. See *Corporate governance of the funds – Board of Governors* and *Responsibility for operations of the funds – Brokerage arrangements*. RBC AM monitors the application of such policies and procedures to ensure their continuing effectiveness.

Corporate governance of the funds

RBC AM, in its role as trustee of the funds, has overall responsibility for management of the funds.

The Board of Governors acts as the independent review committee that each fund is required to have under Canadian securities laws. See *Board of Governors* below.

Policies, procedures, practices and guidelines

As manager of, and portfolio advisor to, the funds, RBC AM is responsible for the day-to-day management, administration and operation of the funds, and provides investment advice and portfolio management services to the funds.

RBC AM has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the funds, including as required by NI 81-107, policies and procedures relating to conflicts of interest. The systems used by RBC AM in relation to the funds monitor and manage the business and sales practices, risk and internal conflicts of interest relating to the funds, while ensuring compliance with applicable regulatory, compliance and corporate requirements. RBC AM personnel responsible for compliance, together with management of RBC AM, ensure that these policies, procedures, practices and guidelines are communicated from time to time to all relevant persons and are updated as necessary (including the systems referred to above) to reflect changing circumstances. RBC AM also monitors the application of all such policies, procedures, practices and guidelines to ensure their continuing effectiveness.

Compliance with the investment practices and investment restrictions mandated by securities legislation is monitored by RBC AM on a regular basis. The investment practices and restrictions for the funds and guidelines for derivative use, securities lending transactions, repurchase agreements and reverse repurchase agreements are outlined beginning on page 13.

RBC AM has also developed a personal trading policy for employees (*the Policy*) which is designed to prevent potential, perceived or actual conflicts between the interests of RBC AM and its staff with the interests of clients and the funds. Under the Policy, certain RBC AM personnel are required to pre-clear certain personal securities transactions in order to ensure that those trades do not conflict with the best interests of the funds and have not been offered to the person because of the position they hold in RBC AM. The Policy adheres to or exceeds the basic principles set out in the Code of Ethics on Personal Investing established by the Investment Funds Institute of Canada and the CFA Institute Code of Ethics and Standards of Professional Conduct.

Board of Governors

The Board of Governors reviews and provides input on conflict of interest matters in respect of RBC AM and the funds. The Board of Governors also provides advice to RBC AM on other issues relating to the management of the funds.

In its role as the independent review committee of the funds, the Board of Governors will, no less frequently than annually, review and assess the adequacy and effectiveness of:

- › RBC AM's policies and procedures relating to conflict of interest matters in respect of the funds;
- › any standing instructions it has provided to RBC AM pertaining to conflict of interest matters in respect of the funds;
- › RBC AM's and the funds' compliance with any conditions imposed by the Board of Governors in a recommendation or approval; and
- › any subcommittee to which the Board of Governors, in its role as independent review committee, has delegated any of its functions.

In addition, the Board of Governors will, no less frequently than annually, review and assess the independence of its members, the compensation of its members, its effectiveness and the contribution and effectiveness of its members. The Board of Governors will provide RBC AM with a report of the results of such assessment.

The Board of Governors prepares an annual report that describes its activities as the independent review committee of the funds. For a copy of this report, at no cost, call us at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French) or ask your dealer. You can also get a copy of this report on the RBC Funds website at www.rbcam.com or by sending an email to funds.investments@rbc.com (English) or fonds.investissements@rbc.com (French).

This report and other information about the Board of Governors are also available at www.sedar.com.

The Board of Governors is composed of nine members and each is independent from RBC AM, the funds and entities related to RBC AM. Set forth below are the name, municipality of residence and principal occupation of each of the members of the Board of Governors:

NAME	MUNICIPALITY OF RESIDENCE	CURRENT PRINCIPAL OCCUPATION
Selwyn B. Kossuth ^{1,2}	Mississauga, Ontario	Financial Consultant
Charles F. Macfarlane ^{1,2}	Toronto, Ontario	Corporate Director and Consultant
Lloyd R. McGinnis ⁴	Winnipeg, Manitoba	Director, Airport Site Redevelopment, Winnipeg Airports Authority
Linda S. Petch ³	Victoria, British Columbia	President, Petch & Associates Management Consultants Ltd.
Elaine C. Phénix ³	Montreal, Québec	President, Phénix Capital Inc.

NAME	MUNICIPALITY OF RESIDENCE	CURRENT PRINCIPAL OCCUPATION
Mary C. Ritchie ^{1,2}	Edmonton, Alberta	President and Chief Executive Officer, Richford Holdings Ltd.
Joseph P. Shannon ³	Port Hawkesbury, Nova Scotia	President, Atlantic Corp. Ltd.
Michael G. Thorley ^{1,2}	Toronto, Ontario	Retired Lawyer
James W. Yuel ³	Saskatoon, Saskatchewan	Chair, PIC Investment Group Inc.

¹ Member of the Financial Advisory Committee of the Board of Governors

² Member of the Investment Conflicts Committee of the Board of Governors

³ Member of the Governance Committee of the Board of Governors

⁴ Chair of the Board of Governors

Policies and procedures regarding proxy voting

As portfolio advisor for the funds, RBC AM has responsibility for the investment management of the funds, including the exercise of voting rights attaching to securities held by the funds. In the case of funds sub-advised by State Street and OSAM, RBC AM has delegated the investment management responsibility and the related obligation to exercise a fund's voting rights to the portfolio sub-advisor of the fund.

Each fund has proxy voting policies and procedures that apply to securities of the fund to which voting rights are attached. For funds other than sub-advised funds, RBC AM has established proxy voting policies, procedures and guidelines (the *Proxy Voting Policy*) for securities held by the funds to which voting rights are attached. State Street and OSAM have each established proxy voting policies and procedures for the funds sub-advised by them. RBC AM reviews the proxy voting policies of the sub-advised funds on an annual basis. Each fund's proxy voting policy provides that the fund's voting rights will be exercised in accordance with the best interests of the fund.

The Proxy Voting Policy sets out the guidelines and procedures that RBC AM will follow to determine whether and how to vote on any matter for which a fund (other than a sub-advised fund) receives proxy materials. Issuers' proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their compensation, to adopt or amend management compensation plans, and to amend the capitalization of the company.

Pursuant to the Proxy Voting Policy, RBC AM will generally cause the funds to vote on these matters as follows:

- (a) Boards of Directors – RBC AM supports resolutions that promote the effectiveness of boards in acting in the best interests of shareholders. RBC AM will generally cause a fund to vote in favour of the election of directors for boards having a majority of independent directors and an independent chair, where the chairs of all board committees and at least a majority of committee members are independent.
- (b) Auditors and Auditor Compensation – Where all members of an issuer's audit committee are independent, RBC AM will generally cause a fund to support the election of directors, the appointment of auditors and the approval of the recommended auditor compensation.
- (c) Management Compensation – The goal of RBC AM is to support compensation arrangements that are tied to long-term corporate performance and shareholder value. These arrangements should induce management to purchase and hold equity in the company to better align management's interests with those of shareholders. Stock option plans that are overly generous or excessively dilutive to other shareholders will not be supported.

(d) Changes in Capitalization – RBC AM recognizes the need for management of an issuer to have flexibility in the issue or buyback of shares to meet changing financial conditions. Changes in capitalization will generally be supported where a reasonable need for the change is demonstrated; however, changes resulting in excessive dilution of existing shareholder value will not be supported.

Other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value.

RBC AM has retained Institutional Shareholder Services Inc. to provide administrative and proxy voting services to the funds. The Proxy Voting Policy includes procedures to ensure that voting rights are exercised in accordance with the funds' instructions.

If the potential for a conflict of interest arises in connection with proxy voting, the Proxy Voting Policy provides for consideration of the issue by the Board of Governors of the funds and provision of its recommendation to RBC AM.

Each sub-advisor's proxy voting policies and procedures guide the sub-advisor in determining whether and how to vote on any matter for which the sub-advised fund receives proxy materials.

The Proxy Voting Policy and each sub-advisor's proxy voting policy is available on request, at no cost, by calling 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French) or by writing to RBC Asset Management Inc., Royal Trust Tower, P.O. Box 7500, Station A, Toronto, Ontario, M5W 1P9.

The proxy voting record for each fund for the most recent 12-month period ended June 30 of each year will be available at no cost to any unitholder of the fund upon request at any time after August 31 of that year. The proxy voting record for each fund will also be available from the RBC Funds website at www.rbcam.com.

Voting rights and fund of fund investments

The portfolios and the RBC Target Funds invest, and certain other RBC Funds may invest, in other mutual funds (called the *underlying funds*), including the RBC Funds. If a unitholder meeting is called for an underlying fund that is managed by us or an affiliate, you will have the voting rights that come with the units of the underlying fund and we will not vote the units of the underlying fund. If a unitholder meeting is called for an underlying fund that is not managed by us or an affiliate, we will exercise our discretion with respect to those voting rights in a manner that is consistent with the Proxy Voting Policy.

Management fee distributions

We may reduce the management fee borne by institutional investors who hold Series I units of a fund and who have signed agreements with us. We do this by having the fund pay out the amount of the reduction in the form of a management fee distribution directly to eligible institutional investors. Management fee distributions are calculated and credited daily and are paid at least quarterly, first out of the fund's income and capital gains and then out of the fund's capital. To offset the management fee distribution, the fund will correspondingly reduce the management fee paid to RBC AM. Management fee distributions are reinvested in fund units, unless otherwise requested. A unitholder who is not exempt from tax and who receives a management fee distribution must take into account the distribution in the calculation of his or her income. Management fee distributions will not result in adverse tax consequences to a fund.

The decision to pay management fee distributions is in our complete discretion and depends on a number of factors, including the size of the investment and a negotiated fee agreement between the institutional investor and RBC AM.

Excessive trading

RBC AM has established policies and procedures to discourage investors from buying, redeeming or switching units frequently. Depending on the fund and the particular circumstances, RBC AM will employ a combination of preventative and detective measures to discourage and identify excessive short-term trading in RBC Funds, including:

- › fair value pricing of securities held by a fund;
- › imposition of short-term trading fees; and
- › monitoring of trading activity and refusal of trades.

See *Excessive trading* in the simplified prospectus of the funds for more information on short-term trading fees, including circumstances where they may not apply.

Income tax considerations

This section describes the principal Canadian federal income tax considerations applicable to the funds and to investors in a fund who are individuals and who, for tax purposes, are residents of Canada, deal with the fund at arm's-length and hold units of the funds as capital property.

The summary takes into account the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder, as well as all publicly announced proposed amendments to the *Income Tax Act* (Canada) and regulations. It also takes into account the published administrative practices and assessing practices of the Canada Revenue Agency.

The summary is not intended to be exhaustive. It does not address provincial or foreign tax considerations. This summary does not constitute legal or tax advice to any particular purchaser or to any particular holder of a fund. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in their particular circumstances.

Taxation of the funds

Each fund is, or intends to be, a mutual fund trust under the *Income Tax Act* (Canada).

Each of the funds is subject to income tax under the *Income Tax Act* (Canada) on its income (including its net taxable capital gains) for each year less the portion thereof that is paid or payable to the unitholders of the fund in the year. It is intended that each such fund will distribute to its unitholders in each year its income (including its net taxable capital gains) to such an extent that it will not be liable in any year for income tax.

All of each fund's deductible expenses, including expenses common to all series of units of the fund and management fees and other expenses specific to a particular series of units of the fund, will be taken into account in determining the income or loss of the fund as a whole for tax purposes.

If appropriate designations are made by the underlying funds in which a fund invests, the nature of distributions from the underlying funds that are derived from taxable dividends received from taxable Canadian corporations (including eligible dividends), foreign income and capital gains will be preserved in the hands of the fund that receives the distributions for the purpose of computing its income and making designations with respect to its own distributions to its unitholders. A fund may also receive distributions of ordinary income from the underlying funds. The nature of such amounts received by a fund may be reflected in distributions from that fund to its unitholders.

The funds are required to compute their income and gains for tax purposes in Canadian dollars and may therefore realize foreign exchange gains or losses with respect to their foreign investments that will be taken into account in computing their income for tax purposes. If a fund's distributions to unitholders throughout a year do not completely offset its income for tax purposes as

calculated in Canadian dollars, the fund may make an additional distribution to unitholders before the end of the year in an effort to ensure that the fund does not become liable for income tax.

A fund that invests in derivatives as a substitute for direct investment will include gains and deduct losses in connection with such derivative activities, and the RBC Global Precious Metals Fund will include gains and deduct losses from the disposition of precious metals, on income account rather than as capital gains and capital losses.

Losses incurred by a fund cannot be allocated to unitholders but may be carried forward and deducted by the fund in future years. Certain of the funds, such as the portfolios, RBC Target Funds and funds that seek to replicate an index or invest in underlying funds that do so, may be affected by the suspended loss rules contained in the *Income Tax Act* (Canada). A loss realized on a disposition of capital property is considered to be a suspended loss when a fund acquires a property (a “substituted property”) that is the same or identical to the property sold, within 30 days before and 30 days after the disposition and the fund owns the substituted property 30 days after the original disposition. If a loss is suspended, the applicable fund cannot deduct the loss from the fund’s capital gains until the substituted property is sold and is not reacquired within 30 days before and after the sale. In certain circumstances, a fund may be required to defer claiming a loss realized by it on an investment in an underlying fund until such fund has sold all of its investment in that underlying fund.

Where the amount of distribution paid by an underlying fund to a fund in a year exceeds the underlying fund’s income and capital gains, such excess amount will not be included in the recipient fund’s income (unless the underlying fund elects to treat the excess amount as income) but will reduce the adjusted cost base of its units of the underlying fund for the purpose of calculating a capital gain or loss on a future disposition of the units of the underlying fund. Similar tax treatment applies with respect to excess distributions on units of an income trust held by a fund or an underlying fund. In either case, if the adjusted cost base of a unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the holder and the holder’s adjusted cost base of the unit will then be nil.

Foreign investment entities

It has been proposed that new tax rules be enacted with respect to investments in certain foreign entities. These new tax rules, if enacted, may require a fund that invests in securities of such entities to include in the fund’s income for each year income or gains computed in accordance with certain rules in the *Income Tax Act* (Canada), whether or not the fund actually receives any income or realizes any gains on such securities. Any such amounts would generally be reflected in distributions to unitholders out of the fund’s income.

Investments in income trusts

Certain publicly traded vehicles, including income trusts, are liable to pay a tax on distributions to unitholders out of certain types of income. Where an income trust pays such tax with respect to a distribution, the distribution will be treated in the hands of the investor as if it were a dividend from a taxable Canadian corporation. For an income trust that would have been a “SIFT trust” on October 31, 2006 had these rules been in effect on that date, the tax on the income trust and the treatment of distributions as dividends will not apply until, generally, 2011 provided that the income trust does not undergo undue growth before that time. These rules incorporate guidelines released by the Minister of Finance on December 15, 2006 regarding the extent to which an existing income trust can expand without risk of losing the benefit of the four-year deferral of the tax on income trusts. These rules have the potential to reduce the tax effectiveness of holding units of income trusts. As a result of the application of the SIFT rules, some income trusts may undertake reorganization transactions to convert to corporate form, the costs of which may affect the return earned on an investment in such an income trust. After any such conversion, tax efficiencies that were formerly available in respect of an investment in the income trust may cease to be available. This could impact the performance of funds that hold income trust units, either directly or through an underlying fund.

Taxation of unitholders

Unitholders of a fund (other than registered plans or TFSAs) are required to include in their income for tax purposes for a year, the Canadian dollar amount of income (including net taxable capital gains and management fee distributions) paid or payable to them by the fund in the year and deducted by the fund in computing its income for tax purposes, whether or not reinvested in additional units of the fund.

If a unitholder's distributions from a fund in a year exceed the unitholder's share of the fund's net income and net capital gains for the year, the excess will generally not be taxable but will reduce the adjusted cost base of the unitholder's units in the fund, unless the fund elects and is entitled to treat such excess amounts as income distributions. However, where such excess distributions are reinvested in new units, the overall adjusted cost base of the unitholder's units will not be reduced. In the unusual circumstance that reductions to your adjusted cost base of units for the year result in your adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by you in that year and your adjusted cost base of the units will be zero at the start of the next year.

Each fund will designate, to the extent permitted by the *Income Tax Act* (Canada), the portion, if any, of the net income distributed to unitholders as may reasonably be considered to consist of, respectively, (i) taxable dividends considered to be received by the fund on shares of taxable Canadian corporations and (ii) net taxable capital gains considered to be realized by the fund. Any such designated amount will be deemed for tax purposes to be received or realized by unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation will apply to amounts designated as taxable dividends. An enhanced dividend gross-up and tax credit applies to certain eligible dividends and each fund will notify unitholders regarding dividends that may be treated as eligible dividends. Amounts designated as taxable capital gains will be subject to the general rules relating to the taxation of capital gains, which are described below. In addition, the fund may make designations in respect of its income from foreign sources so that, for the purpose of computing any foreign tax credit to a unitholder, the unitholder will be deemed to have paid as tax to the government of a foreign country that portion of the taxes considered to be paid by the fund to that country that is equal to the unitholder's share of the fund's income from sources in that country. Unitholders will be advised each year of the composition of amounts, including non-taxable amounts, distributed to them.

Except in the case of the money market funds, when a unitholder acquires units in a fund, the net asset value of the units and therefore a portion of the price paid may reflect income and realized capital gains of the fund that have not been distributed, and accrued capital gains that have not been realized by the fund. This may particularly be the case near year-end before the final year-end distributions have been made. When and if such income and realized capital gains are distributed by the fund, and when and if such accrued capital gains are realized and distributed, such income and gains must be taken into account by the unitholder in computing its income for tax purposes, even though such amounts were reflected in the price paid by the unitholder. If the amounts of such distributions are reinvested in additional units of the fund, the amounts will be added to the unitholder's adjusted cost base of its units. In the case of the money market funds (other than the RBC \$U.S. Money Market Fund and RBC Premium \$U.S. Money Market Fund), income is allocated daily and distributed monthly. In the case of the RBC \$U.S. Money Market Fund and RBC Premium \$U.S. Money Market Fund, net income computed in U.S. dollars is allocated daily and distributed monthly and the fund may also make a distribution of net capital gains arising as a result of foreign exchange gains, calculated on a Canadian dollar basis, at the end of each year. The other funds intend to distribute net income monthly, quarterly or annually and net capital gains annually, generally in December. A distribution reduces a fund's unit value, except for the money market funds.

A unitholder's adjusted cost base per unit of a series will reflect the average cost to the unitholder of all units of that series held by the unitholder, including units purchased on the reinvestment of distributions.

Upon the actual or deemed disposition of a unit of a fund, including the redemption of a unit by a fund to pay fees and including a switch of units of a fund into another fund, a capital gain (or a capital loss) will generally be realized to the extent that the

proceeds of disposition of the units exceed (or are exceeded by) the aggregate of the adjusted cost base to the holder of such units and the costs of disposition. One-half of a capital gain realized on the disposition will be included in income as a taxable capital gain. One-half of any capital loss realized (an "allowable capital loss") may be deducted against any taxable capital gains, subject to and in accordance with the detailed rules of the *Income Tax Act* (Canada).

The reclassification of units of a series into units of another series of the same fund will not be considered to be a disposition for tax purposes and accordingly, the unitholder will realize neither a gain nor a loss as a result of a reclassification. The unitholder's total adjusted cost base of the units received upon the reclassification will equal the total adjusted cost base of the reclassified units immediately before reclassification.

Individuals may be subject to an alternative minimum tax which may apply in respect of amounts treated as eligible dividends and capital gains.

Holders of Series F units should consult with their tax advisors regarding whether fees payable by them may be deductible or may be added to the cost of their units for tax purposes.

Tax forms

Unitholders will receive an annual tax form relating to distributions of net income, net capital gains and non-taxable amounts (including a return of capital) distributed by the funds in which they hold units to enable them to complete their income tax returns. Unitholders should keep records of the cost of units acquired so that they can calculate any capital gain or loss on the redemption or other disposition of their units.

Registered plans and TFSAs

In general, the amount of a distribution paid or payable to a registered plan (such as an RRSP, RESP, GRSP, RRIF, DPSP or RDSPs) or to a TFSA from a fund and gains realized by a registered plan or a TFSA on a disposition of units of a fund will not be taxable under the *Income Tax Act* (Canada). However, amounts withdrawn from a registered plan may be subject to tax (other than a return of contributions from an RESP or certain withdrawals from an RDSP). Withdrawals from a TFSA will not be subject to tax.

Eligibility for registered plans and TFSAs

The units of each of the funds are qualified investments for trusts governed by registered plans and TFSAs. The entire family of RBC Funds (with the exceptions noted in *Restrictions on purchases of units of certain funds* on page 26) may be purchased within all registered plans and TFSAs.

About RESPs

Units of each of the funds will be qualified investments under the *Income Tax Act* (Canada) for RESPs.

Contributions to an RESP are not tax deductible. Contributions are limited for each beneficiary to a lifetime limit of \$50,000. You will have to pay a penalty tax of one per cent a month for any contributions above this limit.

Contributions to an RESP may qualify for Canada Education Savings Grants (CESGs). These grants are payable directly to the RESP, within certain limits. They may have to be repaid in some circumstances, for example, when contributions are withdrawn in certain circumstances. In addition, beneficiaries may also be eligible for the Canadian Learning Bond.

As long as an RESP is registered under the *Income Tax Act* (Canada), no tax is payable under the *Income Tax Act* (Canada) by the subscriber, the beneficiary or the RESP in respect of net income and net capital gains distributed by a fund on units held in the RESP, or on capital gains realized on the disposition of units as long as such amounts remain in the plan.

The beneficiary of an RESP will be required to include in income educational assistance payments as and when received.

Subject to the terms of the RESP, the subscriber may receive a refund of contributions made to the subscriber's RESP. A refund of contributions is not included in the subscriber's income but may result in repayments of CESGs and restrictions on future payments of these grants.

Under certain circumstances, including if the beneficiary of an RESP does not pursue a higher education by age 21 and the RESP has been established for at least 10 years, a contributor can transfer up to \$50,000 of the RESP's accumulated income and capital gains to the contributor's RRSP or spousal RRSP without having to include the transferred amount in the contributor's personal income. This assumes the contributor has enough unused RRSP contribution room. The contributor can also receive payments of all or part of the RESP's accumulated income and capital gains as personal income. A 20 per cent penalty tax applies to these payments in addition to any income tax payable.

Remuneration of directors, officers and trustee

The funds do not have directors or officers. RBC AM, in its capacity as the trustee of the funds, is not entitled to any remuneration. RBC AM, in its capacity as manager of the funds, is entitled to receive a management fee set out in the simplified prospectus of the funds.

For the year ended December 31, 2008, members of the Board of Governors received from the RBC Funds annual fees and meeting fees in the amount of \$304,259, as well as \$65,806 as reimbursement for expenses in connection with performing their duties for the RBC Funds. These fees and expenses were allocated among the funds managed by RBC AM in a manner that was fair and reasonable. For a description of the role of the Board of Governors, please see *Corporate governance of the funds* on page 62.

Material contracts

The material contracts of each fund are listed below:

- (a) the Declaration of Trust and the amended and restated regulation of each fund;
- (b) the distribution agreement for Series A units of the funds; and
- (c) the Master Custodial Agreement.

Each of the foregoing is described under the heading *Responsibility for operations of the funds* on page 29.

Copies of the material contracts listed above may be examined by prospective or existing unitholders at the principal office of the funds during ordinary business hours.

Other information

The RBC International Index Currency Neutral Fund tracks the performance of the Morgan Stanley Capital International – Europe, Australasia and Far East Index (the *MSCI EAFE Index*). This fund is not sponsored, endorsed, sold or promoted by Morgan Stanley Capital International Inc. (*MSCI*), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating the MSCI EAFE Index (collectively, the *MSCI Parties*). MSCI and the MSCI EAFE Index are service mark(s) of MSCI or its affiliates. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of this fund or any other person or entity regarding the advisability of investing in funds generally or in this fund particularly or the ability of the MSCI EAFE Index to track corresponding stock market performance. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of this fund or any other person or entity into consideration in determining, composing or calculating the MSCI EAFE Index. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this fund to be issued or in the determination or calculation of the equation by or the consideration into which this fund is redeemable.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI EAFE Index from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of the MSCI EAFE Index or any data included therein. None of the MSCI Parties makes any warranty, express or implied, as to results to be obtained by the issuer of the fund, owners of the fund, or any other person or entity, from the use of the MSCI EAFE Index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with the MSCI EAFE Index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to the MSCI EAFE Index and any data included therein.

Auditors' consent

We have read the simplified prospectus (the "Prospectus") and annual information form of RBC Canadian T-Bill Fund, RBC Canadian Money Market Fund, RBC Premium Money Market Fund, RBC \$U.S. Money Market Fund, RBC Premium \$U.S. Money Market Fund, RBC Canadian Short-Term Income Fund, RBC Bond Fund, RBC Advisor Canadian Bond Fund, RBC Canadian Bond Index Fund, RBC Monthly Income Fund, RBC \$U.S. Income Fund, RBC Global Bond Fund, RBC Global Corporate Bond Fund, RBC Global High Yield Fund, RBC Managed Payout Solution, RBC Managed Payout Solution – Enhanced, RBC Managed Payout Solution – Enhanced Plus, RBC Balanced Fund, RBC Balanced Growth Fund, RBC Jantzi Balanced Fund, RBC Select Very Conservative Portfolio, RBC Select Conservative Portfolio, RBC Select Balanced Portfolio, RBC Select Growth Portfolio, RBC Select Aggressive Growth Portfolio, RBC Select Choices Conservative Portfolio, RBC Select Choices Balanced Portfolio, RBC Select Choices Growth Portfolio, RBC Select Choices Aggressive Growth Portfolio, RBC Target 2010 Education Fund, RBC Target 2015 Education Fund, RBC Target 2020 Education Fund, RBC Target 2025 Education Fund, RBC Canadian Dividend Fund, RBC Canadian Equity Fund, RBC Jantzi Canadian Equity Fund, RBC Canadian Index Fund, RBC O'Shaughnessy Canadian Equity Fund, RBC O'Shaughnessy All-Canadian Equity Fund, RBC Canadian Equity Income Fund (formerly, RBC Canadian Diversified Income Trust Fund), RBC North American Dividend Fund, RBC North American Value Fund, RBC North American Growth Fund, RBC U.S. Equity Fund, RBC U.S. Equity Currency Neutral Fund, RBC U.S. Index Fund, RBC U.S. Index Currency Neutral Fund, RBC O'Shaughnessy U.S. Value Fund, RBC U.S. Mid-Cap Equity Fund, RBC U.S. Mid-Cap Equity Currency Neutral Fund, RBC O'Shaughnessy U.S. Growth Fund, RBC O'Shaughnessy U.S. Growth Fund II, RBC Life Science and Technology Fund, RBC International Equity Fund, RBC International Index Currency Neutral Fund, RBC O'Shaughnessy International Equity Fund, RBC European Equity Fund, RBC Asian Equity Fund, RBC Global Dividend Growth Fund, RBC Jantzi Global Equity Fund, RBC O'Shaughnessy Global Equity Fund, RBC Global Energy Fund, RBC Global Precious Metals Fund, RBC Global Consumer and Financials Fund, RBC Global Health Sciences Fund, RBC Global Resources Fund and RBC Global Technology Fund (collectively, the "Funds") dated July 2, 2009 relating to the sale and issue of Series A, Advisor Series, Series T, Series D, Series F, Series I, and Series O units (as applicable) of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report dated February 13, 2009 to the unitholders of each of the Funds (except for RBC Select Very Conservative Portfolio) on the following financial statements of each of the Funds:

- › Statement of investment portfolio as at December 31, 2008;
- › Statements of net assets as at December 31, 2008 and 2007 (as applicable); and
- › Statements of operations and of changes in net assets for the years or periods (since establishment of the Funds) ended December 31, 2008 and 2007 (as applicable).

We also consent to the incorporation by reference in the above-mentioned Prospectus of our report dated March 2, 2009 to the unitholder of the RBC Select Very Conservative Portfolio on the statement of net assets as at February 25, 2009.

"Deloitte & Touche LLP"

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
July 2, 2009

Certificate of the Funds, the Manager and the Promoter

This annual information form, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: July 2, 2009

By: *“John S. Montalbano”*

John S. Montalbano
Chief Executive Officer
RBC Asset Management Inc.,
as trustee, manager and promoter
of the funds

By: *“Frank Lippa”*

Frank Lippa
Chief Financial Officer and
Chief Operating Officer
RBC Asset Management Inc.,
as trustee, manager and promoter
of the funds

On behalf of the Board of Directors
of RBC Asset Management Inc.,
as trustee, manager and promoter of the funds

By: *“Douglas Coulter”*

Douglas Coulter
Director

By: *“Daniel E. Chornous”*

Daniel E. Chornous
Director

Certificate of the Principal Distributor of the Funds (Series A)

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: July 2, 2009

ROYAL MUTUAL FUNDS INC.

By: *"Anne Lockie"*

Anne Lockie
President and Chief Executive Officer

Certificate of the Principal Distributor of the Funds (Series D)

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: July 2, 2009

RBC DIRECT INVESTING INC.

By: *“Jason Storsley”*

Jason Storsley
President and Chief Executive Officer

RBC Funds

Additional information about the funds is available in the funds' management reports of fund performance and financial statements.

For a copy of these documents, at no cost, call us at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French), email us at funds.investments@rbc.com (English) or fonds.investissements@rbc.com (French) or ask your dealer.

You can also get copies of this annual information form, the simplified prospectus, the management reports of fund performance and the financial statements from the RBC Funds website at www.rbcam.com.

These documents and other information about the funds, such as information circulars and material contracts, are also available online at www.sedar.com.

RBC Asset Management Inc.

Royal Trust Tower

P.O. Box 7500, Station A

Toronto, Ontario

M5W 1P9

Customer Service: 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French)