



RBC International Equity Fund

Fund Category
International Equity

Morningstar Rating™
★★

Investment Objective

To provide long-term capital growth by investing primarily in equity securities of companies outside of North America. The fund provides exposure to economies that offer different business cycles and growth opportunities than North American markets.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF268
Adv	Deferred Sales	CAD	RBF862
Adv	Front End	CAD	RBF771
Adv	Low Load	CAD	RBF173
F	No Load	CAD	RBF621

Inception Date	January 1993
Total Assets \$Mil	148.4
Series A NAV \$	12.03
Series A MER %	2.16
Benchmark	MSCI EAFE (\$C)

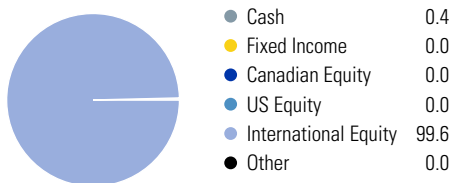
Income Distribution	Annually
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25
RRSP Eligibility	Yes

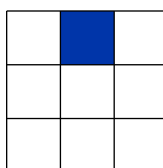
Management Company	RBC Asset Management Inc.
Web Site	www.rbcam.com

Portfolio Analysis as of September 30, 2009

Asset Mix



Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	1.6
P/E Ratio	14.7
Avg Mkt Cap \$Bil	24.2

Top 5 Sectors

Sector	% Equity
Financials	26.5
Consumer Discretionary	13.0
Industrials	9.9
Energy	9.3
Materials	8.8

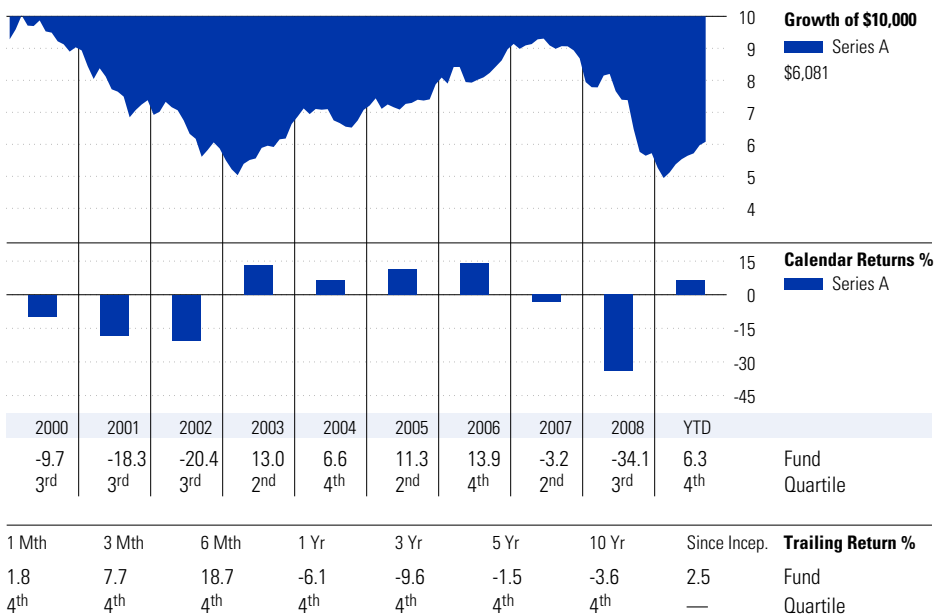
Top Geographic Allocations

Geography	% Assets
United Kingdom	24.6
Japan	16.8
France	9.5
Switzerland	7.9
Spain	6.6

Top 25 Holdings

Company	% Assets
Sanofi-Aventis	2.3
Rio Tinto PLC	2.2
Vodafone Group PLC	2.0
AstraZeneca PLC	2.0
Royal Dutch Shell PLC	2.0
Bayerische Motoren Werke AG	2.0
Heineken N.V.	1.9
ArcelorMittal	1.9
UBS AG	1.8
Prudential PLC	1.8
Experian PLC	1.8
BP PLC	1.7
Banco Santander SA	1.7
BG Group PLC	1.6
HSBC Holdings PLC	1.5
SAP Corporation	1.4
Assa Abloy	1.4
Deutsche Bank AG	1.4
EADS N.V.	1.4
Banco Popular Espanol	1.4
Origin Energy Limited	1.3
BT Group PLC	1.3
Publicis Groupe	1.2
Gestevision Telecinco,S.A.	1.2
ING Groep N.V.	1.2
Total % of Top 25 Holdings	41.2
Total Number of Stock Holdings	116
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
Total Number of Holdings	118

Performance Analysis as of September 30, 2009





RBC International Equity Fund

Management Overview

Manager Bios

Yoji Takeda, B.A. M.B.A.

RBC Investment Management(Asia) Ltd.

Yoji Takeda is Director, RBC Investments Management (Asia) Ltd. He has been in the Investment Industry since 1980.

Dominic Wallington, M.A.

RBC Asset Management Inc.

Dominic Wallington is Chief Investment Officer, RBC Asset Management UK Limited

Vittorio Fegitz, M.S.

RBC Asset Management Inc.

Vittorio Fegitz is Senior Portfolio Manager, RBC Asset Management UK Limited. He has been in the Investment Industry since 1983.

David Lambert

RBC Asset Management Inc.

David Lambert is Portfolio Manager, RBC Asset Management UK Limited

Performance Analysis Cont'd as of September 30, 2009

Distributions (\$)/Unit	YTD	2008	2007	2006	2005	2004	2003	2002	2001	2000
Total Distributions	—	0.16	0.01	—	—	—	—	—	—	1.38
Interest	—	0.16	0.01	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	1.38
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %

	1Yr	3Yr	5Yr	10Yr
Best	1-1994 41.5	3-2006 18.7	2-1998 14.2	1-2003 3.4
Worst	11-2008 -36.8	3-2003 -20.5	3-2003 -9.2	2-2009 -4.9
Average	2.7	3.8	3.1	1.3
No. of Periods	189	165	141	81
Pct. Positive	66.7	64.2	58.2	75.3

Quarterly Commentary as at September 30, 2009

The RBC International Equity Fund (Series A) returned 7.7%, versus 10.5% for its benchmark. Underperformance was a result of low quality, high-risk stocks continuing to run and market leadership remaining very narrow.

European markets had their best quarter since late 1999, fuelled by government liquidity, improving macro backdrop and increasing positive sentiment for the near term. Earnings results were generally better than expected as survey data improved and analysts' earnings revisions crept into positive territory by the end of the period.

Best performers in Europe were Financials, engineering and construction and chemical companies, while laggards included Energy and food and drug retailers, highlighting a clear cyclical bias to market performance.

While Asian markets posted positive returns, Korea and Australia outperformed with the strong currency. However, Japan, Hong Kong and Hong Kong-listed Chinese stocks lagged significantly.

Fiscal and monetary stimulus by China and others

helped catapult the region's manufacturing sectors and domestic consumption attracting foreign money to return to Asian markets, thereby raising markets higher. Cyclical continued to outperform across the region, particularly Information Technology and Materials, while defensive sectors, Utilities and Telecommunication Services, significantly underperformed.

While we saw a strong recovery trend for the global economy, cyclically-oriented stocks were bought up to expensive valuation levels quickly. 'Theme' stocks related to new energy, environmentally-friendly technology and various government subsidies, appreciated significantly. Under such circumstances, our overweight in Consumer Discretionary and Information Technology worked well.

We expect a continued recovery trend for the global economy and particularly for Asia, led by China. However, as the initial policy stimulus fades and extremely easy monetary policies are wound up, markets may face increasing volatility. We will look to gradually increase holdings of more stable nature for the coming quarters.

Major Buys

Deutsche Bank AG
ING Groep N.V.
UBS AG
Bank of China Hong Kong
China Overseas Development

Major Sells

Compass Group Plc.
G4S Plc.
Mitsui OSK Line
China Life
Hutchison Wampoa

RBC International Equity Fund

Disclosure

RBC Funds are offered by RBC Asset Management Inc. and distributed through authorized dealers.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus of the mutual fund before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or covered by the Canadian Deposit Insurance Corporation or by any other government deposit insurer. The value of mutual funds change frequently and past performance may not be repeated.

The Top 25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on

investment of any fund.

This fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in this fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in this fund profile without seeking the advice of an appropriate professional advisor.

For money market funds, the performance data assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. In addition, for money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm. Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are

subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A units of the Fund as of September 30, 2009.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of September 30, 2009. The ratings are subject to change every month. The ratings are calculated for funds with a minimum of 3 years of performance, calculated from the funds' 1 and 3 year average annual returns measured against a 91-day Treasury Bill return with appropriate fee adjustments. The top 10% of the funds in a category receive 5 stars (high); if the funds fall in the next 22.5%, they receive 4 stars (above average); a place in the middle 35% earns a fund 3 stars (neutral or average); those in the next 22.5% receive 2 stars (below average); and the lowest 10% get 1 star (low). Ratings are just one factor to consider when investing. For more information, please see www.morningstar.ca.

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