



# 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

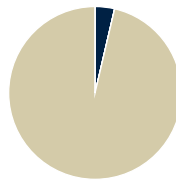
Inception Date	January 1993
Total Assets \$Mil	94.4
Series A NAV \$	10.73
Series A MER %	2.25
Benchmark	MSCI EAFE (\$C)

Income Distribution	Annually
Capital Gains Distribution	Annually
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of December 31, 2011

### Asset Mix

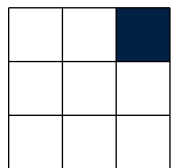


	% Assets
Cash	3.6
Fixed Income	0.0
Canadian Equity	0.0
US Equity	0.0
International Equity	96.4
Other	0.0

### Top 25 Holdings

	% Assets
Royal Dutch Shell PLC	3.1
GlaxoSmithKline PLC	2.9
BT Group PLC	2.4
BP PLC	2.1
Novartis AG	1.8
Swedbank AB	1.7
European Aeronautic Defence and Space NV	1.7
British American Tobacco PLC	1.6
Paddy Power PLC	1.6
Sap AG ADR	1.5
Sanofi	1.4
BHP Billiton PLC	1.4
Compass Group PLC	1.3
Bayer AG	1.3
AstraZeneca PLC	1.2
BG Group PLC	1.2
Telenet Group Holding NV	1.2
Tate & Lyle PLC	1.2
Shire PLC	1.2
Imperial Tobacco Group PLC	1.2
Reckitt Benckiser Group PLC	1.2
William Hill PLC	1.1
Babcock International Group PLC	1.1
Sampo Oyj	1.1
ING Groep N.V.	1.1
<b>Total % of Top 25 Holdings</b>	<b>38.6</b>
<b>Total Number of Stock Holdings</b>	<b>114</b>
<b>Total Number of Bond Holdings</b>	<b>0</b>
<b>Total Number of Other Holdings</b>	<b>1</b>
<b>Total Number of Holdings</b>	<b>115</b>

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.6
P/E Ratio	10.9
Avg Mkt Cap \$Bil	22.6

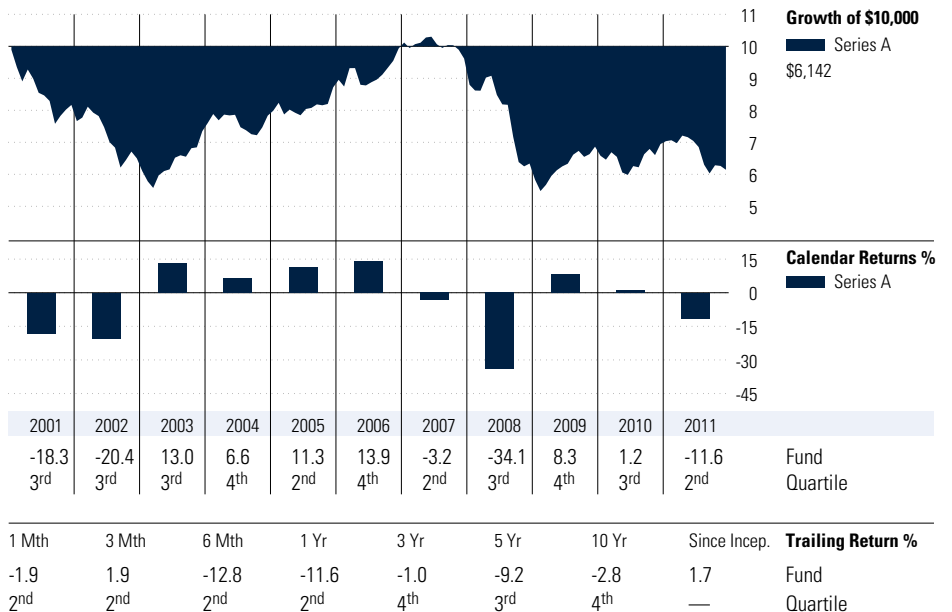
### Top 5 Sectors

	% Equity
Financials	16.5
Consumer Discretionary	14.7
Consumer Staples	13.3
Health Care	13.2
Industrials	10.9

### Geographic Allocations

	% Assets
United Kingdom	32.0
Japan	16.0
Germany	8.3
Australia	7.3
Switzerland	4.9

## Performance Analysis as of December 31, 2011





# RBC International Equity Fund

## Management Overview

### Manager Bios

#### Dominic Wallington

##### RBC Asset Management UK Limited

Dominic Wallington is Chief Executive Officer and Chief Investment Officer. He has been in the investment industry since 1991.

#### Yoji Takeda

##### RBC Investment Management(Asia) Ltd.

Yoji Takeda is Director, Asian Equities. He has been in the investment industry since 1980.

### Performance Analysis Cont'd as of December 31, 2011

Distributions (\$)/Unit	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.07	0.07	0.14	0.16	0.01	—	—	—	—	—	—
Interest	0.07	0.07	0.14	0.16	0.01	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	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	12-2011	-9.2	6-2010	-5.9
Average		2.9		2.2		2.0		0.3
No. of Periods		216		192		168		108
Pct. Positive		66.2		55.7		48.8		56.5

\* Distributions are characterized into income type at year-end.

### Quarterly Commentary as at December 31, 2011

In the 4th quarter, the RBC International Equity Fund (Series A) returned 1.9%, compared to 1.0% for its benchmark.

In Europe, the best performing sector by some margin over the quarter was Energy followed by Materials. The defensive Health Care and Consumer Staples sectors also continued to perform relatively well. Utilities were very weak, as were Financials, Telecommunication Services and Information Technology.

After adding some risk to the portfolios (largely through adding Financials), we gradually reduced the risk and focussed on quality and reasonably priced stocks. These are the type of stocks that tend to outperform when macro indicators are moving down, and earnings estimates are being cut.

Investor sentiment remains weak as uncertainty in the economic outlook persists. Earnings revisions

continue to drift downwards. Valuations are not expensive and corporate balance sheets remain sound. As such, any improvement in the macro-economic outlook or a decisive policy response to the crisis in Europe will likely be well received by investors.

In Asian markets, Japan continued drifting downward as the recovery momentum from the earthquake faded, however the strong currency hurt export earnings, where we had maintained an underweight position. Australia gave a positive return thanks to China policy easing and relatively stable commodity prices, where we increased toward neutral position. Our exposure to emerging markets such as Korea, Taiwan and China were maintained as those markets rebounded sharply earlier in the quarter, but later drifted down. While China's monetary easing should support the region's growth, European sovereign debt crisis will dominate investors' risk appetite for the time being.

#### Major Buys

BP  
Kabel Deutschland  
Asahi Glass  
China Construction Bank  
Samsung Engineering

#### Major Sells

Allianz  
Intesa SanPaolo  
Centrica  
Formosa International



# RBC International Equity Fund

## Disclosure

RBC Funds are offered by RBC Global 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.

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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](http://www.sedar.com).

MER (%) based on actual expenses for full year period January 1 to December 31, 2011.

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 December 31, 2011.

Morningstar ratings are overall ratings reflecting risk adjusted performance as December 31, 2011. 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](http://www.morningstar.ca).

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