



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 133.7

Series A NAV \$ 11.06

Series A MER % 2.15

Benchmark MSCI EAFE (\$C)

Income Distribution Annually

Capital Gains Distribution Annually

Sales Status Open

Min. Investment \$ 500

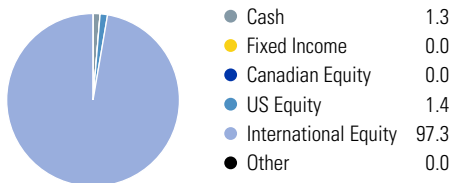
Subsequent Investment \$ 25

Management Company RBC Asset Management Inc.

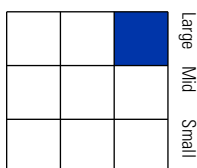
Web Site www.rbcam.com

Portfolio Analysis as of July 31, 2010

Asset Mix



Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	1.9
P/E Ratio	12.5
Avg Mkt Cap \$Bil	19.0

Top 5 Sectors

Sector	% Equity
Financials	20.7
Industrials	20.3
Consumer Staples	12.9
Consumer Discretionary	11.6
Information Technology	9.7

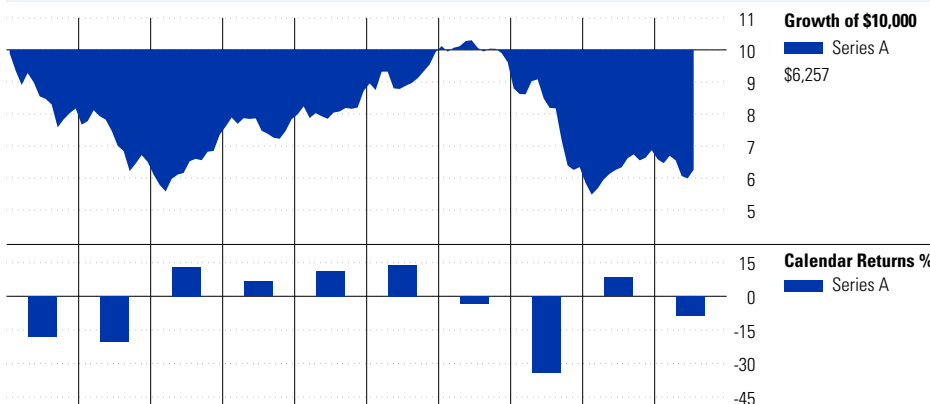
Top Geographic Allocations

Geography	% Assets
Japan	19.6
United Kingdom	18.6
Switzerland	10.5
Germany	8.5
Australia	7.2

Top Ten Holdings

Company	% Assets
Sap AG	2.3
Nestle SA	2.1
Siemens AG	2.1
Novartis AG	2.0
DnB NOR ASA	1.6
Unilever NV	1.6
Shire PLC	1.4
SGS Ltd	1.4
Millicom International Cellular	1.4
Asa Abloj AB	1.4
Total % of Top 10 Holdings	17.3
Total Number of Stock Holdings	120
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	121

Performance Analysis as of July 31, 2010



Year	Calendar Returns %	Fund Quartile
2001	-18.3	3 rd
2002	-20.4	3 rd
2003	13.0	2 nd
2004	6.6	4 th
2005	11.3	2 nd
2006	13.9	4 th
2007	-3.2	2 nd
2008	-34.1	3 rd
2009	8.3	4 th
YTD	-8.8	4 th

Period	Trailing Return %	Fund Quartile
1 Mth	4.6	4 th
3 Mth	-4.4	4 th
6 Mth	-4.9	4 th
1 Yr	-1.2	4 th
3 Yr	-14.7	4 th
5 Yr	-4.9	4 th
10 Yr	-5.1	4 th
Since Incep.	2.0	—



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 July 31, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	—	0.14	0.16	0.01	—	—	—	—	—	—
Interest	—	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	3-2003	-9.2	6-2010	-5.9
Average		2.9		3.0		2.7		0.8
No. of Periods		199		175		151		91
Pct. Positive		66.8		60.6		54.3		67.0

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

Quarterly Commentary as at June 30, 2010

In the second quarter, the RBC International Equity Fund (Series A) declined 10.6 %, versus 9.7% loss for the MSCI EAFE Total Return Index, in Canadian dollars.

European markets had a poor quarter as a consequence of two macro issues; the continuing theme of sovereign-debt issues in the periphery countries in Europe which reached maximum pessimism in mid-June and was also closely timed to the credit downgrade of Spain; and weaker economic growth coming out of the U.S.

The best performing sectors in Europe were Consumer Discretionary and Staples, along with Health Care, while laggards included Energy, Utilities and Financials. This highlights the defensive nature of the market over this period.

In Asia, unfavourable return largely came from a weak performance in Australian and Japanese markets. The weaker Australian dollar against the Canadian dollar also worked negatively. The Fund

shifted towards more defensive sectors and high-quality stocks by reducing cyclicals like Materials. This worked positively as new holdings like Oji Paper, did well. However, Australian banks and Japanese cyclical-sector stocks, such as Nidec in Information Technology and Sony in Consumer Discretionary, underperformed. This was partly offset by a strong performance by our emerging market holdings such as ICBC in China and Hyundai Motor in Korea.

We expect a gradual recovery for the global economy particularly led by China and other emerging markets. Corporate cash flow of Asian companies should remain strong and capital investment activities should gradually pick up with increasing domestic consumption in Asia. While there will be continuing headwinds due to the poor financial positions of many governments in the West, we believe that equity markets have factored this in for the most part and have concentrated our assets in areas that will be less affected.

Major Buys

Unilever
Commonwealth Bank of Australia
Smiths Group
Oji Paper
BHP Billiton

Major Sells

Societe Generale
Mitsui & Co
JFE Holding
TNT
Rio Tinto



RBC International Equity Fund

Disclosure

RBC Funds are offered by RBC Asset Management Inc. and distributed through authorized dealers. RBC Global Asset Management (RBC GAM) comprises RBC Asset Management Inc. (RBC AM), Phillips, Hager & North Investment Management Ltd. (PH&N) and RBC Global Asset Management (U.S.) Inc., which are separate legal entities owned by Royal Bank of Canada.

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 July 31, 2010.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of July 31, 2010. 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.

® Registered trademark of Royal Bank of Canada. RBC Global Asset Management is a trademark of Royal Bank of Canada. Used under licence. © RBC Asset Management Inc. 2010.