



RBC U.S. Mid-Cap Equity Fund

Fund Category
US Small/Mid Cap Equity

Morningstar Rating™
★★★

Investment Objective

To provide long-term capital growth through investment primarily in U.S. mid-capitalized equity investments and common stock equivalents.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF336
Adv	Deferred Sales	CAD	RBF860
Adv	Front End	CAD	RBF769
Adv	Low Load	CAD	RBF171
F	No Load	CAD	RBF617
I	No Load	CAD	RBF223

Inception Date	March 1992
Total Assets \$Mil	383.9
Series A NAV \$	14.54
Series A MER %	2.00
Benchmark	S&P Mid Cap 400 (\$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

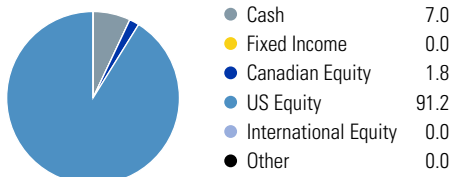
Notes

Minimum investment for Series I units of the Fund is \$500,000. Minimum additional investment is \$5,000.

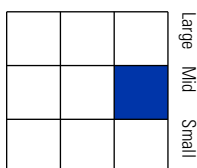
The Fund's portfolio advisor and investment objectives changed June 29, 2001.

Portfolio Analysis as of July 31, 2010

Asset Mix



Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	2.0
P/E Ratio	17.7
Avg Mkt Cap \$Bil	4.3

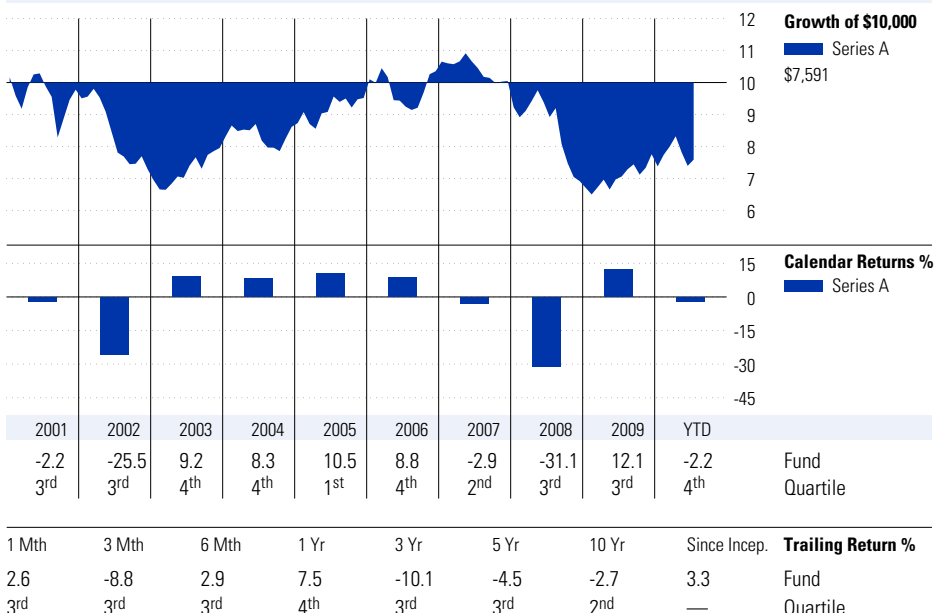
Global Equity Sectors

Sector	% Equity
Financials	19.4
Industrials	16.1
Information Technology	14.2
Consumer Discretionary	12.9
Health Care	10.4
Materials	9.4
Energy	8.1
Utilities	5.6
Consumer Staples	3.2
Telecommunication Services	0.7
Unclassified	0.0

Top Ten Holdings

Company	% Assets
Cash & Cash Equivalents	7.0
Boston Properties, Inc.	2.4
Kansas City Southern, Inc.	1.9
Concho Resources, Inc.	1.9
Digital Realty Trust, Inc.	1.8
Salesforce.com, Inc.	1.8
W.R. Berkley Corporation	1.7
Edwards Lifesciences	1.7
Hanover Insurance Group, Inc.	1.7
Joy Global, Inc.	1.6
Total % of Top 10 Holdings	23.4
Total Number of Stock Holdings	88
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	89

Performance Analysis as of July 31, 2010





RBC U.S. Mid-Cap Equity Fund

Management Overview

Manager Bios

RBC Asset Management US Equity Committee

Chaired by Ray Mawhinney Senior Vice President, U.S. and Global Equities. Ray has been in the investment industry since 1984.

Performance Analysis Cont'd as of July 31, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	4-1998	38.3	4-1998	24.2	8-1997	18.4	3-2002	8.9
Worst	3-2003	-32.2	2-2003	-13.7	3-2003	-10.2	12-2008	-4.3
Average		4.4		4.3		4.2		1.9
No. of Periods		209		185		161		101
Pct. Positive		64.1		56.8		57.1		67.3

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

Quarterly Commentary as at June 30, 2010

The RBC U.S. Mid-Cap Equity Fund (Series A) declined 7.5% in the second quarter, compared to a 5.2% loss for the S&P Mid Cap 400 Total Return Index, in Canadian dollars.

U.S. equity markets experienced one of their most severe quarterly declines in years as news of Europe's economic crisis dominated the macro outlook. While U.S. companies have yet to see any significant fall-off in demand from Europe, U.S. investors remember their recent financial crises and are understandably cautious. Meanwhile, the economic recovery in the U.S. continues to mature and as a result, there is a trend of moderating growth as year-over-year comparisons become more difficult. The mid-cap area of U.S. equity markets continued to outperform their larger-cap brethren, a trend that has been in place for six quarters.

We feel total rates of return in 2010 will be modest, particularly compared to 2009. Monetary

policy will probably be slightly more accommodating due to the European situation and interest rates will be friendly, longer than previously expected. We remain constructive on U.S. equity markets, particularly if they experience another retest to the previous market lows, and view any pull back over the intermediate term as an opportunity to increase exposure to stocks.

Within the Fund, outperformance in Consumer Discretionary, Health Care, Telecommunication Services and Utilities aided overall performance, while Materials, Industrials, Information Technology, and Energy detracted. Strong individual performances companies such as lamgold, Chipotle Mexican Grill, Biovail and Edwards Lifesciences all contributed to Fund performance, while companies such as Royal Caribbean Cruise Lines, Coventry Healthcare, Affiliated Managers and Marvell Technology, temporarily lagged the general market.

Major Buys

Advanced Auto Parts Inc
Alliant Energy Corp
Borg Warner
Hanover Insurance Group
Republic Services

Major Sells

AMB Property Corp
Alpha Natural Resources
Cliff's Natural Resources
Nordstrom Inc
Foster Wheeler



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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.

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