



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 | 489.3 |
| Series A NAV \$ | 16.56 |
| Series A MER % | 2.08 |
| 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 Global Asset Management Inc. |
| Web Site | www.rbcgam.com |

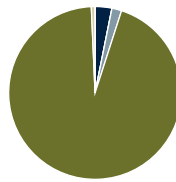
Notes

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.

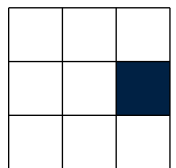
Portfolio Analysis as of December 31, 2011

Asset Mix



| | % Assets |
|----------------------|----------|
| Cash | 3.1 |
| Fixed Income | 0.0 |
| Canadian Equity | 1.8 |
| US Equity | 94.3 |
| International Equity | 0.7 |
| Other | 0.0 |

Equity Style



Value Blend Growth

Equity Statistics

| | |
|-------------------|------|
| P/B Ratio | 2.3 |
| P/E Ratio | 16.5 |
| Avg Mkt Cap \$Bil | 4.6 |

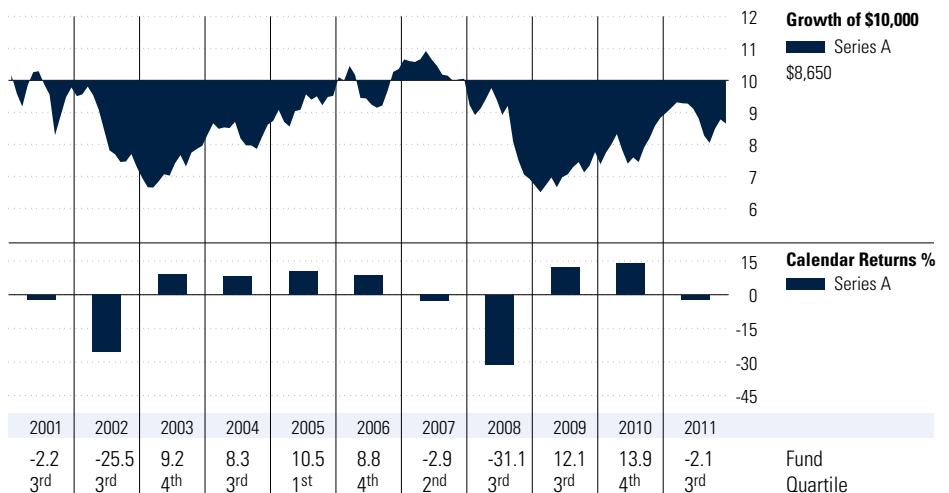
Global Equity Sectors

| | % Equity |
|----------------------------|----------|
| Consumer Discretionary | 19.9 |
| Information Technology | 17.2 |
| Financials | 15.4 |
| Industrials | 13.9 |
| Health Care | 9.8 |
| Energy | 8.2 |
| Materials | 8.0 |
| Utilities | 6.0 |
| Consumer Staples | 1.1 |
| Telecommunication Services | 0.5 |
| Unclassified | 0.0 |

Top 25 Holdings

| | % Assets |
|---------------------------------------|-----------|
| PetSmart Inc. | 2.3 |
| Tractor Supply | 2.2 |
| Alexion Pharmaceuticals, Inc. | 2.1 |
| Ameriprise Financial Inc | 2.0 |
| SanDisk Corp | 1.8 |
| Valeant Pharmaceuticals International | 1.8 |
| J.B. Hunt Transport Services, Inc. | 1.8 |
| Ross Stores, Inc. | 1.7 |
| WellCare Health Plans, Inc. | 1.6 |
| Reinsurance Group of America Inc | 1.6 |
| Perrigo Company | 1.6 |
| Raymond James Financial, Inc. | 1.6 |
| United Rentals Inc | 1.5 |
| Dollar Tree Stores, Inc. | 1.5 |
| TransDigm Group Inc | 1.5 |
| Commerce Bancshares, Inc. | 1.5 |
| Maxim Integrated Products | 1.5 |
| Alliance Data Systems Corporation | 1.4 |
| Wesco International, Inc. | 1.4 |
| FMC Technologies, Inc. | 1.4 |
| Bank of Hawaii Corporation | 1.4 |
| Oceaneering International | 1.3 |
| Cadence Design Systems, Inc. | 1.3 |
| Genesco, Inc. | 1.3 |
| Reliance Steel and Aluminum | 1.3 |
| Total % of Top 25 Holdings | 40.4 |
| Total Number of Stock Holdings | 96 |
| Total Number of Bond Holdings | 0 |
| Total Number of Other Holdings | 1 |
| Total Number of Holdings | 97 |

Performance Analysis as of December 31, 2011



| | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incep. | Trailing Return % |
|--|-------|-------|-------|------|------|------|-------|--------------|-------------------|
| | -1.5 | 7.5 | -5.1 | -2.1 | 7.7 | -3.5 | -1.2 | 3.7 | Fund |
| | 4th | 4th | 3rd | 3rd | 3rd | 3rd | 3rd | — | Quartile |



RBC U.S. Mid-Cap Equity Fund

Management Overview

Manager Bios

RBC GAM U.S. 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 December 31, 2011

| Distributions (\$)/Unit | 2011* | 2010 | 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 | | 5.0 | | 3.8 | | 3.7 | | 1.5 |
| No. of Periods | | 226 | | 202 | | 178 | | 118 |
| Pct. Positive | | 66.4 | | 54.5 | | 51.7 | | 58.5 |

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

Quarterly Commentary as at December 31, 2011

The RBC U.S. Mid-Cap Equity Fund (Series A) returned 7.5% in the 4th quarter, compared to 9.8% for its benchmark.

U.S. equity markets climbed during the Q4 on optimism that Eurozone policymakers would have some success in alleviating the stress affecting global markets. Another factor aiding U.S. stocks was the better-than-expected economic statistics. This strengthened confidence that U.S. economic growth would counterbalance concerns about the slowing global expansion. The portfolio manager expects U.S. economic growth to remain steady as consumers pay down debt to levels that are more sustainable.

We saw moderate volatility this quarter, but we expect the equity market to continue to be variable throughout 2012. Corporate earnings continue to hold up well and balance sheets remain healthy, a trend we would expect to continue as corporate

executives plan conservatively over the next year. We believe that growth will remain moderate due to the slow global growth impacted by Europe's economic conditions. Valuations remain quite attractive, particularly in relation to other long term investment alternatives. We continue to feel if one has a time horizon beyond the very near term, they will be rewarded for owning U.S. stocks.

Outperformance in Energy, Industrials, and Health Care aided the Fund, while Financials, Information Technology, and Consumer Discretionary detracted from overall performance. Strong individual performance in companies like Novellus Systems, Lennar Homes, FMC Technologies, and Hubbell, all contributed to the Fund's performance, while companies such as Avago Technologies, Red Hat, Waste Connections, and HCC Insurance temporarily lagged the general market.

Major Buys

KeyCorp
Cymer Inc.
Steel Dynamics Inc.
Lennar Corp.
United Rentals

Major Sells

MetroPCS Communications
Sotheby's Holdings
Tupperware Corp.
Kimco Realty Corp.
Waddell & Reed Financial



RBC U.S. Mid-Cap 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.

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.

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