



RBC Select Choices Conservative Portfolio

Fund Category

Global Fixed Income Balanced

Morningstar Rating™

★★★

Investment Objective

To provide income and the potential for moderate capital growth by investing primarily in other mutual funds, emphasizing those that invest in Canadian fixed-income securities and have the potential to generate income.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF566
Adv	Deferred Sales	CAD	RBF843
Adv	Front End	CAD	RBF743
Adv	Low Load	CAD	RBF103

Inception Date	June 2000
Total Assets \$Mil	133.3
Series A NAV \$	10.32
Series A MER %	1.85
Benchmark	65% DEX Universe Bond 15% S&P/TSX Composite 10% S&P 500 (\$C) 10% MSCI EAFE (\$C)

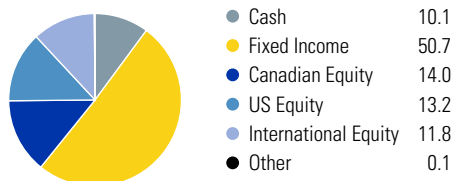
Income Distribution	Quarterly
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

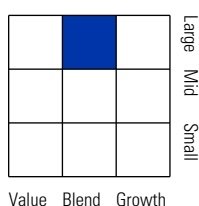
Management Company	RBC Asset Management Inc.
Web Site	www.rbcam.com

Portfolio Analysis as of July 31, 2010

Asset Mix



Equity Style



Value Blend Growth

Statistics	%
P/B Ratio	1.7
P/E Ratio	12.4
Avg. Mkt Cap. \$Bil	19.0

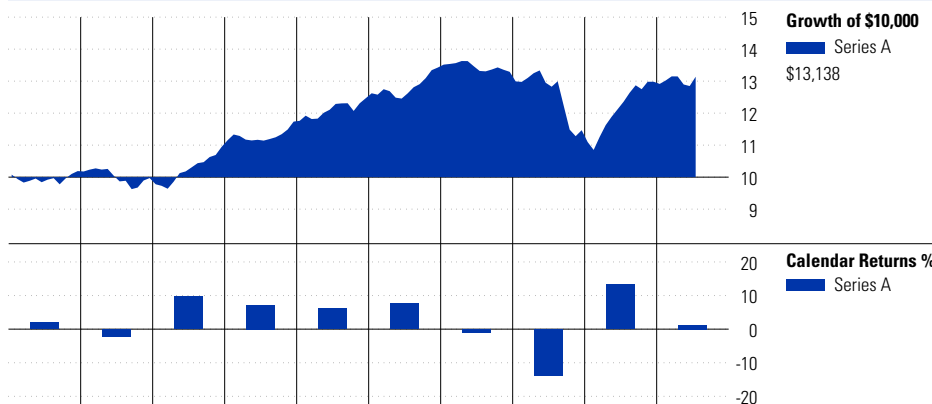
Top 5 Sectors	% Equity
Financials	19.5
Energy	13.9
Information Technology	11.1
Consumer Staples	10.6
Materials	10.2

Fixed Income Breakdown	% Fixed Income
Government Bonds	30.6
Corporate Bonds	49.4
Other Bonds	0.5
Mortgage Backed Securities	2.9
ST Investments (Cash & Other)	16.7
Asset Backed Securities	0.0

Top Ten Holdings

Top Ten Holdings	% Assets
RBC Bond	16.9
TD Canadian Bond - I	12.7
PH&N Short Term Bond & Mortgage D	12.6
PH&N Total Return Bond D	12.5
RBC Canadian Equity	8.1
CI Harbour Fund	5.9
RBC O'Shaughnessy International Equity	5.6
Trimark International Companies	5.5
RBC O'Shaughnessy US Value	4.8
RBC Canadian Money Market	4.1
Total % of Top 10 Holdings	88.7
Total Number of Portfolio Holdings	14
Total Number of Stock Holdings	527
Total Number of Bond Holdings	806
Total Number of Other Holdings	233
Total Number of Underlying Holdings	1566

Performance Analysis as of July 31, 2010



Year	Calendar Returns %	Rank
2001	1.9	2 nd
2002	-2.1	3 rd
2003	9.8	1 st
2004	7.2	2 nd
2005	6.2	2 nd
2006	7.7	2 nd
2007	-1.0	3 rd
2008	-13.7	4 th
2009	13.2	2 nd
YTD	1.2	4 th

Period	Trailing Return %	Rank
1 Mth	2.3	2 nd
3 Mth	-0.1	3 rd
6 Mth	1.7	3 rd
1 Yr	6.3	3 rd
3 Yr	-0.5	4 th
5 Yr	1.3	4 th
10 Yr	3.0	2 nd
Since Incep.	3.1	—



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Management Overview

Manager Bios

Sarah Riopelle

RBC Asset Management Inc.

Sarah Riopelle is Portfolio Manager, Investment Solutions. She has been in the investment industry since 1996.

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	0.26	1.12	0.15	0.18	0.20	0.20	0.19	0.25
Interest	—	0.14	0.19	0.19	0.15	0.17	0.19	0.19	0.17	0.19
Dividends	—	0.01	—	—	—	0.01	0.01	0.01	0.01	0.03
Capital Gains	—	—	0.07	0.93	—	—	—	—	—	0.03
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2010	20.0	3-2006	9.8	9-2007	6.8	7-2010	3.0
Worst	2-2009	-16.4	2-2009	-4.8	2-2009	-0.9	6-2010	2.8
Average		3.2		3.5		4.0		2.9
No. of Periods		110		86		62		2
Pct. Positive		69.1		73.3		95.2		100.0

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

Quarterly Commentary as at June 30, 2010

In the second quarter, the RBC Select Choices Conservative Portfolio declined 2.3%, compared to 0.7% loss for its benchmark.

Global equity markets peaked early in the second quarter and were under pressure for the balance of it. Chief concerns centered on the impact that both government debt levels, as well as belt-tightening, which numerous countries may need to implement as stimulus is withdrawn from the markets and economies, will have on global growth.

The Canadian equity market was one of the better-performing markets across the globe, with precious metals shares soaring as gold was sought as a safe haven. The S&P/TSX Composite Total Return Index was down 5.5%, while both the S&P500 Total Return Index and the MSCI EAFE Total Return Index fell 11% in their local

currencies. An underweight position in bonds hampered the Portfolio's relative underperformance compared to its benchmark.

Fixed-income yields moved lower in the second quarter, with global bonds returning 3%. This positive return was a function of a global flight to safety into higher-quality government bonds, as well as expectations for rate increases being placed on hold.

Our roadmap remains the same, as it anticipated that a typical mid-cycle correction was likely to ensue as we moved through 2010. Having already witnessed a global 15-20% downdraft, a decent portion of the total equity market declines has been seen and some hedges have been covered. Time elements suggest that there still remains a congestion period in the coming months, setting the stage for a rally later this year.



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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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