



# RBC Target 2020 Education Fund

## Fund Category

2020 Target Date Portfolio

## Morningstar Rating™

★★★

## Investment Objective

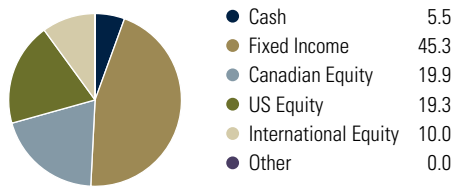
This fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding a post-secondary education that commences around 2020. The fund gradually shifts its asset mix from an emphasis on equity funds, in its early years, to an emphasis on money market funds as its "target" date (2020) approaches. Over the life of the fund, its portfolio will shift from a focus on funds with growth potential to a focus on funds that will preserve capital.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF585
Inception Date		August 2004	
Total Assets \$Mil		357.4	
Series A NAV \$		11.02	
Series A MER %		1.84	
Benchmark		49% DEX Universe Bond 20% S&P/TSX Composite 20% S&P 500 (\$C) 11% 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

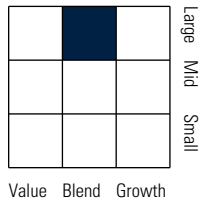
### Asset Mix



### Top 25 Holdings

Top 25 Holdings	% Assets
RBC Bond	24.1
RBC Canadian Short Term Income	16.1
RBC Canadian Equity	12.0
RBC US Equity	8.8
RBC Global Bond	8.1
RBC Canadian Dividend	5.9
RBC European Equity	5.0
RBC North American Growth	5.0
RBC Asian Equity	5.0
RBC O'Shaughnessy US Value	4.4
RBC US Mid-Cap Equity	4.4
Total % of Top 25 Holdings	98.8
Total Number of Portfolio Holdings	12
Total Number of Stock Holdings	624
Total Number of Bond Holdings	586
Total Number of Other Holdings	25
<b>Total Number of Underlying Holdings</b>	<b>1,235</b>

### Equity Style



### Statistics

Statistics	%
P/B Ratio	1.8
P/E Ratio	12.0
Avg. Mkt Cap. \$Bil	20.8

### Top 5 Sectors

Top 5 Sectors	% Equity
Financials	23.1
Energy	17.2
Consumer Discretionary	12.0
Materials	9.8
Information Technology	9.0

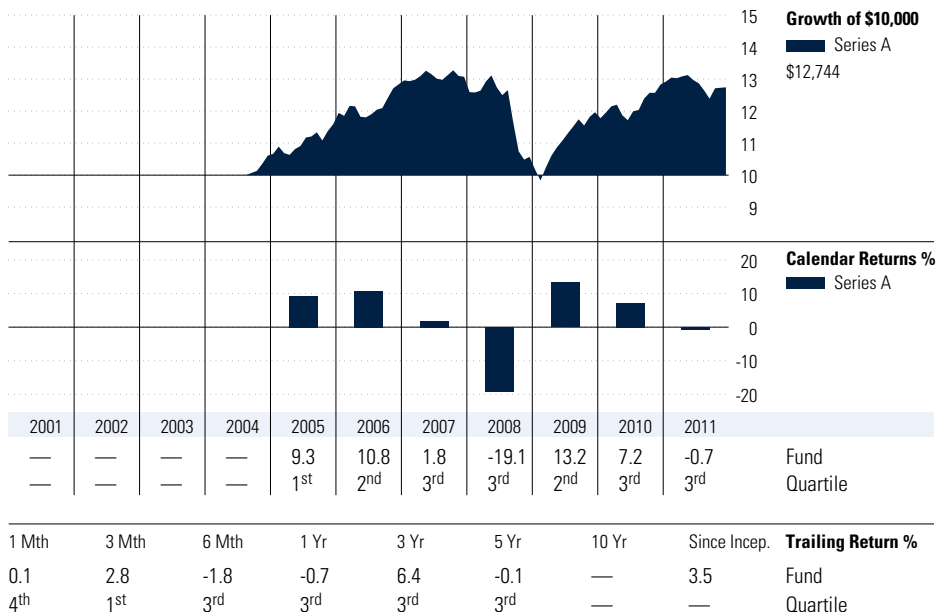
### Fixed Income Breakdown

Fixed Income Breakdown	% Fixed Income
Government Bonds	41.2
Corporate Bonds	49.3
Other Bonds	-1.7
Mortgage Backed Securities	0.2
ST Investments (Cash & Other)	10.9
Asset Backed Securities	0.2

## Notes

Fixed MER reduced effective January 1, 2010 as fund gets closer to target date

## Performance Analysis as of December 31, 2011





# RBC Target 2020 Education Fund

## Management Overview

### Manager Bios

#### Sarah Riopelle

#### RBC Global 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 December 31, 2011

Distributions (\$)/Unit	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.23	0.12	0.17	0.11	0.44	0.34	0.24	0.11	—	—	—
Interest	0.06	0.07	0.09	0.11	0.16	0.13	0.08	0.06	—	—	—
Dividends	0.03	0.05	0.04	—	—	0.01	0.01	—	—	—	—
Capital Gains	0.13	—	0.05	—	0.28	0.20	0.15	0.05	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2010	21.6	10-2007	9.4	9-2009	3.1	—	—
Worst	2-2009	-21.9	2-2009	-6.0	12-2011	-0.1	—	—
Average		3.6		0.9		1.8		—
No. of Periods		77		53		29		—
Pct. Positive		71.4		47.2		96.6		—

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

### Quarterly Commentary as at December 31, 2011

In the 4th quarter, the RBC Target 2020 Education Fund (Series A) posted a return of 2.8% versus 3.6% for its benchmark.

Bond yields in Canada and other major fixed-income markets slightly declined, sending bonds higher, as investors continued to gravitate to fixed-income securities perceived as offering a degree of safety. Among the Fund's fixed-income holdings, the RBC Bond Fund accounted for almost a quarter of the portfolio's assets and had the largest positive impact on results, whereas the RBC Canadian Short-Term Income Fund contributed modestly to results.

In the Fund's North American equity portion, holdings in the RBC Canadian Equity Fund, the RBC Canadian Dividend Fund and the RBC North American Growth Fund had a positive impact on performance. The RBC O'Shaughnessy U.S. Value Fund, the RBC U.S. Equity Fund and the RBC U.S. Mid-Cap Equity Fund all had a positive impact on

results.

Overall, international equities performed the worst. The RBC European Equity Fund had a modest positive effect on performance, while the RBC Asian Equity Fund finished lower. Our models indicate that the U.S. is not in a recession, but there is a risk that it could fall into one next year. While Canada appears relatively healthy, it would be unusual for the economy to significantly decouple from the U.S. Therefore, we forecast a downshift in Canadian economic growth for 2012. Although growth will remain weak, depressed stock-market valuations provide an upside potential, and we remain modestly overweight equities as a result. Most major countries continue to enjoy near-record-low bond yields. Overall, we expect yields to rise in any environment that includes modest growth and progress towards crisis resolution. We continue to maintain an underweight position in fixed income.



# RBC Target 2020 Education 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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