



# RBC U.S. Equity Currency Neutral Fund

**Fund Category**  
US Equity

**Morningstar Rating™**  
★★

## Investment Objective

To provide long-term capital growth by investing primarily in U.S. equity investments and common stock equivalents, while minimizing the exposure to currency fluctuations between the U.S. and Canadian dollars.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF588
Adv	Deferred Sales	CAD	RBF859
Adv	Front End	CAD	RBF768
Adv	Low Load	CAD	RBF133
F	No Load	CAD	RBF644

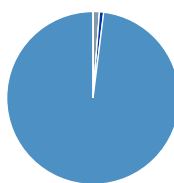
Inception Date	January 2006
Total Assets \$Mil	65.6
Series A NAV \$	7.35
Series A MER %	2.00
Benchmark	S&P 500 (US\$)

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

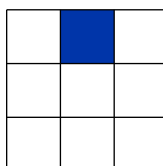


	% Assets
Cash	1.2
Fixed Income	0.0
Canadian Equity	0.8
US Equity	98.0
International Equity	0.0
Other	0.0

### Top Ten Holdings

	% Assets
Apple, Inc.	2.5
Citigroup, Inc.	2.3
J.P. Morgan Chase & Co.	1.9
AT&T, Inc.	1.9
PNC Financial Services Group Inc.	1.8
General Electric Company	1.8
Wells Fargo Company	1.7
Merck & Co Inc	1.6
EMC Corporation	1.6
Morgan Stanley	1.6
Total % of Top 10 Holdings	18.8
Total Number of Stock Holdings	102
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>104</b>

### Equity Style



Value Blend Growth

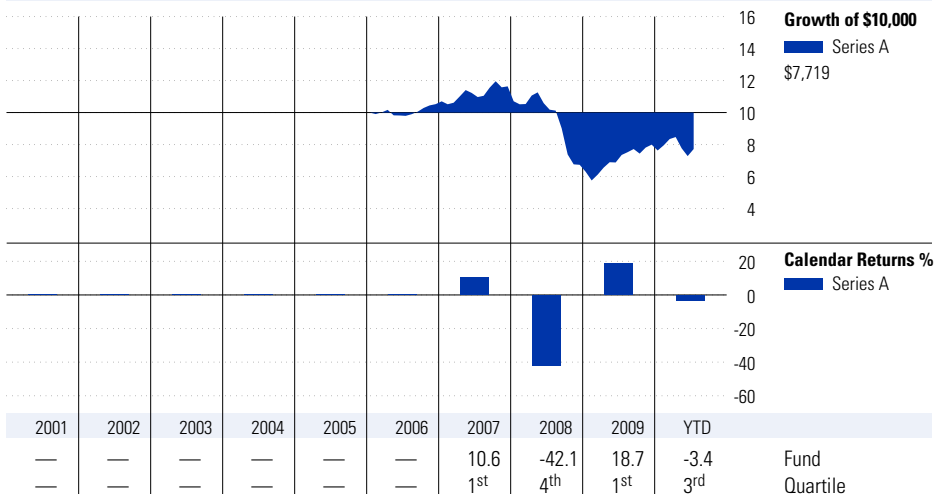
### Equity Statistics

P/B Ratio	2.0
P/E Ratio	13.7
Avg Mkt Cap \$Bil	37.3

### Global Equity Sectors

	% Equity
Information Technology	19.5
Financials	14.7
Industrials	12.1
Consumer Staples	11.4
Consumer Discretionary	9.5
Energy	9.0
Health Care	8.9
Materials	7.1
Utilities	4.1
Telecommunication Services	3.7
Unclassified	0.0

## Performance Analysis as of July 31, 2010



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	6.1	-8.9	1.2	5.0	-11.0	—	—	-5.1	Fund
Quartile	1st	4th	2nd	3rd	4th	—	—	—	Quartile



# RBC U.S. Equity Currency Neutral 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	—	—	—	0.80	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	0.80	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2010	38.1	3-2010	-7.7	—	—	—	—
Worst	2-2009	-45.3	2-2009	-16.6	—	—	—	—
Average		-3.7		-10.9				
No. of Periods		43		19				
Pct. Positive		55.8		0.0				

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

### Quarterly Commentary as at June 30, 2010

The RBC U.S. Equity Currency Neutral Fund (Series A) declined 12.8% in the second quarter, compared to 11.4% loss for the S&P 500, in U.S. dollar terms. The Canadian dollar's decline of approximately 4% versus the U.S. dollar had a negative effect on Fund performance.

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, economic recovery in the U.S. continues to mature resulting in a trend of moderating growth as year-over-year comparisons become more difficult. Corporate earnings continue to expand from improving revenue growth and tight cost controls.

We believe that 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. The sovereign risk associated with several European countries will continue to add to market volatility. 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, Consumer Staples, Health Care, Telecommunication Services and Information Technology aided overall performance, while Utilities, Materials, Financials and Energy detracted. Strong individual performances in such companies as Newmont Mining, VMware, Amerisourcebergen and Cummins all positively contributed to the Fund, while companies such as Domtar, Goldman Sachs, Carnival and Microsoft, temporarily lagged the general market.

#### Major Buys

Analog Devices  
Public Service Enterprises  
Sysco Corp  
3M Co.  
Ace Ltd

#### Major Sells

AK Steel Holdings  
Anadarko Petroleum  
Cephalon Inc.  
Freeport-McMoran  
Visa Inc.

# RBC U.S. Equity Currency Neutral 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](http://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](http://www.morningstar.ca).

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