



RBC Select Very Conservative Portfolio

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	0.22	0.24	0.29	—	—	—	—	—	—	—	—
Interest	0.15	0.15	0.20	—	—	—	—	—	—	—	—
Dividends	0.03	0.04	0.07	—	—	—	—	—	—	—	—
Capital Gains	0.05	0.05	0.02	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	3-2010	10.7	—	—	—	—	—	—
Worst	9-2011	1.7	—	—	—	—	—	—
Average		5.2		—		—		—
No. of Periods		22		—		—		—
Pct. Positive		100.0		—		—		—

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

Quarterly Commentary as at December 31, 2011

In the 4th quarter, the RBC Select Very Conservative Portfolio (Series A) posted a return of 1.8% compared to 2.5% return of its benchmark.

The portfolio held an overweight position in equities versus the benchmark. This had a positive effect on performance as stocks outperformed bonds during the period.

Bond yields in Canada and other major fixed-income markets declined somewhat, sending bonds higher, as investors continued to gravitate to fixed-income securities perceived as offering a degree of safety. Among fixed-income holdings in the portfolio, the PH&N Bond Fund and the RBC Bond Fund had the biggest positive impact on performance.

In the portfolio's Canadian equity portion, holdings in the RBC Canadian Dividend Fund and the RBC Canadian Equity Fund both had a positive impact on performance. The PH&N U.S. Multi-Style All-Cap Fund and the RBC U.S. Equity Fund both rose.

The RBC European Equity Fund had a modest positive effect on performance, while the RBC Asian Equity Fund finished lower and had a negative effect on performance.

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 as a result we remain modestly overweight in equities.

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.



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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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