



NEWS FLASH

August 2008

Changes to the RBC Diversified Fund Natural Resources Equity Compartment.

Over the last two years, the Canadian energy and materials sectors have seen widespread merger and acquisition activity given the rising prices of natural resources. By reducing our existing investment universe, this consolidation activity has persuaded us to broaden the global reach of the **RBC Diversified Fund Natural Resources Equity** compartment. This decision will be implemented on August 1, 2008 and will also affect the choice of benchmark for the compartment.

How has the investment mandate changed?

With a reduced universe of Canadian resource companies, we have decided to remove the restriction to invest two-thirds of the assets in Canadian companies. A broader geographical diversification of the fund will mean a reduction in the compartment's exposure to the Canadian dollar. As a result, we will no longer need to hedge fluctuations in the Canadian dollar against the US dollar.

What is the new benchmark?

We have chosen to use a 65% / 35% split of the MSCI World Energy USD and the MSCI World Materials USD.

Why are we making these changes?

The Canadian natural resources sector has been booming for several years now and has attracted investment from many international companies such as Companhia Vale do Rio Doce from Brazil, Rio Tinto from the UK, Norilsk Nickel from Russia and Chinalco from China. As a result, the universe of Canadian resource stocks has been reduced. By broadening the investment universe we will continue to invest in company stocks that fit with our philosophy of "higher for longer" regardless of whether they are in Canada, China or Australia.

What do you have to do?

You and your clients won't have to take any action. However investors should be aware of the currency exposure of the new mandate and in the new benchmarks. Should you have any questions regarding the above, please do not hesitate to contact your Banker or Leslie Brophy at RBC Suisse: leslie.brophy@rbc.com or telephone 4122-819-4285.

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