



PHILLIPS, HAGER & NORTH

RBC ASSET MANAGEMENT AND PHILLIPS, HAGER & NORTH ANNOUNCE CHANGES TO IMPROVE COST CERTAINTY AND FEE TRANSPARENCY FOR MUTUAL FUND INVESTORS

New measures include reduced MERs for RBC Target Education Funds

TORONTO, June 23, 2009 — RBC Asset Management Inc. (RBC AM) and Phillips, Hager & North Investment Management Ltd. (PH&N) today announced a change to the way operating expenses are charged to the RBC Private Pools and PH&N Funds, resulting in improved cost certainty and fee transparency for mutual fund investors.

Beginning November 1, 2009, RBC AM and PH&N will pay the majority of operating expenses for each of the RBC Private Pools and PH&N Funds in return for a new fixed administration fee, which will be paid by the funds to RBC AM and PH&N. RBC Private Pools and PH&N Funds will continue to pay expenses related to the independent review committee, the cost of any new government or regulatory requirements introduced after July 1, 2009, and any borrowing costs (“other fund costs”) and taxes payable by the funds.

“We always aim to be a leader in delivering value to investors and these changes provide unitholders with greater certainty about the cost of investing,” said John Montalbano, head of RBC Global Asset Management. “In 2007, RBC AM implemented fixed administration fees for all RBC Funds, which resulted in more stable and predictable management expense ratios (MERs). We remain committed to industry leadership when it comes to low fund management fees.”

This change improves the predictability of the MER for each series of units. The MER will consist of each series’ management fee, fixed administration fee, other fund costs and taxes — including the GST (all expressed as a percentage of the fund’s average net assets for that year).

RBC AM and PH&N referred this issue to the independent review committees of the RBC Private Pools and the PH&N Funds, the groups that provide independent oversight of conflict of interest matters to the managers. The committees concluded that the proposed change is fair and reasonable.

RBC Target Education Fund MER reductions

The RBC Target Education Funds gradually shift their asset mix from an emphasis on equity funds to drive growth in their early years to fixed income and money market funds as their target date approaches and capital preservation becomes key. The result is an asset mix that evolves over time, becoming more conservative as a child's target education date approaches. As each RBC Target Education Fund becomes more conservative, the MER for that fund will be reduced to reflect the more conservative asset mix. The current MERs, the effective dates of the reductions and the reduced MER rates are as follows:

RBC Target 2010 Education Fund

	MER
Current	1.00%

RBC Target 2015 Education Fund

	MER
Current	1.75%
January 1, 2010	1.55%
January 1, 2013	1.00%

RBC Target 2020 Education Fund

	MER
Current	1.85%
January 1, 2010	1.75%
January 1, 2015	1.55%
January 1, 2018	1.00%

RBC Target 2025 Education Fund

	MER
Current	1.95%
January 1, 2010	1.85%
January 1, 2015	1.75%
January 1, 2020	1.55%
January 1, 2023	1.00%

About RBC Global Asset Management and RBC Wealth Management

RBC Global Asset Management (RBC GAM) comprises RBC Asset Management Inc. (RBC AM), Phillips, Hager & North Investment Management Ltd. (PH&N) and Voyageur Asset Management Inc. Combined, RBC GAM's component companies manage C\$90 billion in IFIC-reported mutual fund assets in Canada and an additional C\$100 billion in other institutional and private client assets in Canada and the United States. RBC AM won the Lipper Awards for "Best Bond Fund Family" in 2009 and "Best Overall Fund Group" in 2007 and 2008; PH&N won for "Best Bond Fund Family" in 2007 and 2008. Website: www.rbcgam.com.

RBC GAM is part of RBC Wealth Management, which directly serves affluent and high net worth clients in Canada, the United States, Latin America, Europe and Asia with a full suite of investment, trust and other wealth management solutions. The business also provides asset management products and services directly and through RBC and third-party distributors to institutional and individual clients, and has more than \$480 billion of assets under administration, more than \$230 billion of assets under management and nearly 4,500 financial consultants, advisors, private bankers and trust officers.

For more information, please contact:

Chris Dotson, RBC Global Asset Management Communications, (604) 408-6009
Matt Gierasimczuk, RBC Media Relations, (416) 974-2124