

About Our Stewardship of Your Assets

A message to investors from the Head of RBC Wealth Management, John Taft

Wealth management is all about stewardship...which is defined by Webster's dictionary as "the careful and responsible management of something entrusted to one's care." I am proud to say that during one of the most turbulent periods we have ever experienced in the financial services industry, our company's commitment to effective stewardship has never been more evident.

RBC Wealth Management is a division of RBC Capital Markets Corporation, a wholly owned subsidiary of Royal Bank of Canada (RBC). As a member of the RBC family of companies, RBC Wealth Management shares the same core values and culture of integrity that have earned our parent company, RBC, its world-wide reputation for putting clients' needs first.

Fact: RBC continues to effectively manage its business, avoiding to date big write downs like those we have seen at other financial institutions. For the first half of 2008, RBC earned C\$2.1 billion on revenues of \$10.6 billion. RBC's credit ratings remain intact and they are one of the few North American banks with a rating of Aaa*. RBC's capital ratios exceed those mandated by its regulators. Plus, RBC has been ranked the third safest bank in North America for the past nine years by *Global Finance* magazine.

Fact: RBC's total shareholder returns have, over both the short and long term, outpaced those of many of its competitors. While many financial firms have seen their stock prices plunge since the mid-2007 levels, the value and stability of RBC stock (NYSE, TSX: RY) have not suffered to the same degree as many of its peers.

Fact: RBC's market capitalization has improved to the point where it is now the fifth-largest bank in North America and the 22nd-largest bank in the world.

Fact: At a time of growing economic dislocation, RBC and its subsidiaries continue to give back to the communities in which our clients live and work. In 2007, RBC Wealth Management contributed 2% of its pretax earnings (more than US\$4 million) in grants and sponsorships to hundreds of charitable arts, human services and educational organizations across the United States. Overall, RBC contributed C\$82 million to charitable causes in hundreds of communities worldwide where it does business.

"Too many financial institutions have lost touch with the primary reason they exist — to serve their clients' investment and wealth management needs. This is one of the underlying causes of the recent meltdown of certain financial markets."

"Organizations that weather today's credit and liquidity crisis will be those that have stayed close to their clients and true to their mission as trusted advisers."

"At RBC, we have not strayed from our path. Our unwavering commitment to responsible stewardship of your assets is a core value you can depend on."



RBC Wealth Management®

Fact: Recognizing that stewardship values also extend to taking care of the physical world in which we live, RBC is building on its reputation for being one of the “greenest” firms in North America** by launching a major new environmental initiative aimed at preserving the quality of one of our most precious collective resources — clean water. Over the course of the next ten years, RBC’s Blue Water Project will provide C\$50 million in grants for endeavors dedicated to water conservation, watershed protection, access to clean drinking water and other water-related issues.

Fact: With recent acquisitions of JBHanauer & Co.; Ferris, Baker Watts, Incorporated, Ltd.; Access Capital Strategies, LLC; and Phillips, Hager & North Investment Management, Ltd.; wealth management continues to grow as a core business at RBC — now with 3,600 advisors in more than 21 countries around the world and millions of institutional and individual clients who have entrusted RBC and its subsidiaries with almost \$700 billion in assets under administration.

I have never felt better about being part of RBC Wealth Management, primarily because of our track record of and commitment to effective stewardship. The same thing, I hope, that will make you feel better about having entrusted us with the care and management of your financial assets. Overall, I believe no firm is better prepared or positioned to serve as a steward of your wealth.

Sincerely,

John Taft

Co-Chairman

Head of US Wealth Management

RBC Wealth Management

* Moody’s Investors Service credit rating on RBC’s senior long-term debt.

** In 2007, RBC scored first place in Newsweek International’s “green list” and was named to the Dow Jones Sustainable World Index — an annual review recognizing the world’s financial, social and environmental leaders — for the eighth year in a row. In 2008, RBC was ranked one of world’s top 100 sustainable companies by Corporate Knights.

RBC Capital Markets Corporation is a wholly-owned subsidiary of, and separate legal entity from, Royal Bank of Canada. Royal Bank of Canada does not guarantee any debts or obligations of RBC Capital Markets Corporation.

We believe RBC’s stock price, assets under administration, and market capitalization reflect the company’s fiscal stewardship. However, these business metrics affect neither the performance nor the implied protection of investments held in accounts at RBC Wealth Management.