



RBC ASSET MANAGEMENT UK LIMITED Commitment to the UK Stewardship Code

RBC Asset Management UK Limited (“RBC Asset Management UK”) is a subsidiary of Royal Bank of Canada (“RBC”). RBC provides banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. RBC employs approximately 77,000 employees who serve more than 18 million clients through offices in Canada, the United Kingdom, the United States and 52 other countries.

RBC Asset Management UK is a division of RBC Global Asset Management. The RBC Global Asset Management group of companies manages approximately £160B (or €180B) in assets worldwide (as at April 30, 2011). With offices in Canada, Europe, the United States and Asia, RBC Global Asset Management provides a comprehensive range of investment solutions and services to both individual and institutional investors.

RBC Asset Management UK is an affiliate of RBC Global Asset Management Inc., a Canadian-based investment advisor and mutual fund manager. The business of RBC Asset Management UK is to act as sub-advisor of European and Emerging Market portfolios of the mutual funds managed by its affiliate. RBC Global Asset Management Inc. and the mutual funds are governed by Canadian securities laws and the mutual funds are intended for Canadian residents.

RBC Global Asset Management Inc. is an industry leader in Canada in the support of good corporate governance, the exercise of mutual fund proxies and disclosure of the funds’ proxy voting policies and records. It is a founding and active member of the Canadian Coalition for Good Governance and a member of the Social Investment Organization.

The Canadian Coalition for Good Governance is a collective of a wide range of Canadian institutional investors. Its members invest in the global capital markets on behalf of millions of Canadians. The Coalition was formed to promote good governance practices. Coalition members believe that good governance practices contribute to an issuer’s ability to create value for its securityholders.

RBC Global Asset Management Inc. and RBC Asset Management UK support the principles of the UK Stewardship Code. The following disclosures represent their joint views on the principles of the Code.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

RBC Global Asset Management Inc., as manager and primary investment advisor of the mutual funds, monitors investee companies and exercises the funds’ voting rights according to its proxy voting policy, with the input of the sub-advisor, RBC Asset Management UK. The policy is disclosed on the funds’ web site at www.rbcgam.com

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

As institutional investors, RBC Global Asset Management Inc. and RBC Asset Management UK act in the best interests of the mutual funds. Canadian mutual funds, fund managers and portfolio managers are subject to securities regulations regarding the management of conflicts of interest. Mutual funds must have an independent review committee and fund managers must refer conflict of interest matters, and their policies and procedures to manage those conflicts, to the independent review committee of the funds. The manner of handling conflicts of interest relating to the funds' proxy voting is disclosed in the proxy voting policy on the funds' web site at www.rbcgam.com

Principle 3: Institutional investors should monitor their investee companies.

RBC Global Asset Management Inc. and RBC Asset Management UK monitor investee companies by accessing and utilizing research on company strategy, performance, risks and governance drawn from portfolio manager and analyst due diligence, information provided by leading independent research firms, including Institutional Shareholder Services Inc., and involvement in organizations such as the Canadian Coalition for Good Governance.

Principle 4: Institutional investors should establish clear guidelines on how they will escalate activities as a method of protecting and enhancing shareholder value.

RBC Global Asset Management Inc., being based in Canada and managing mutual funds intended for Canadian residents, takes an active role in intervening with the management and directors of Canadian investee companies, at all times taking care not to receive material non-public information about a company. In addition, the Canadian Coalition for Good Governance meets with management and directors of Canadian investee companies on behalf of its members and also informs its members about shareholder proposals submitted by its members to investee companies for inclusion in management proxy circulars.

RBC Asset Management UK portfolio managers and analysts may meet with a UK investee company's directors and management. If dissatisfied with a UK investee company's governance or disclosure, then RBC Global Asset Management Inc. will so indicate with votes against management on relevant proxy issues.

If meetings and votes against management are ineffective, RBC Asset Management UK's dissatisfaction with a UK investee company's governance or disclosure will lead to a consideration whether to act collectively or to dispose of the investment.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

RBC Global Asset Management Inc. and RBC Asset Management UK take the position that where the value of an investee company's securities could be materially negatively impacted by the company's management policies or decisions, and voting against management and direct communication with the company's management and directors have been ineffective, they will consider participation in collective engagement. The overriding considerations are the best interests of the mutual fund and the preservation of long-term shareholder value.

The costs of initiating or participating in collective engagement can be significant. The situations in which a mutual fund's small holding in a UK investee company would demand collective engagement rather than disposition would be very few.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

RBC Global Asset Management Inc. has a policy to act in the best interests of the mutual funds it manages and, as part of that obligation, to exercise the proxy voting rights of the funds. It considers input from its sub-advisor, RBC Asset Management UK, in exercising those rights.

RBC Global Asset Management Inc. has retained Institutional Shareholder Services Inc. ("ISS"), a subsidiary of MSCI Inc., to provide proxy voting administration services. ISS exercises the mutual funds' proxies in accordance with the proxy voting guidelines of RBC Global Asset Management Inc. As an ISS client, RBC Global Asset Management Inc. also has the opportunity to provide input into the proxy voting policies published by ISS.

The proxy voting records of the mutual funds are publicly disclosed on the funds' web site at www.rbcgam.com

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

RBC Global Asset Management Inc. reports regularly to securityholders of the mutual funds about stewardship and proxy voting activities. The independent review committee of the mutual funds also reports annually to securityholders.

For further information regarding adherence to the UK Stewardship Code by RBC Global Asset Management Inc. and RBC Asset Management UK, please contact Leo Tiernan, Operations Manager, RBC Asset Management UK Limited, at leo.tiernan@rbccm.com