



Prime Opportunity List

Discontinuation Report

January 4, 2012

The Prime Opportunity List represents the best current investment ideas from the Portfolio Advisory Group—U.S. Equities division. These are chosen from the best investment ideas from RBC Capital Markets, RBC Wealth Management, and our third-party research providers. The list strives to provide equity investors with a broad range of attractive investment opportunities. Each recommendation is reviewed on an ongoing basis to assure that individual stocks continue to represent attractive current opportunity.

Discontinuing Prime Opportunity List

The Prime Opportunity Investment Committee announces the discontinuation of the List. As we evaluate the resources and the current product suite within Portfolio Advisory Group, we believe resources may be more effectively allocated and concentrated in other areas.

Changes to the Prime Opportunity List

Deletions

Abbot Laboratories (NYSE: ABT; \$56.23)
Chevron Corp. (NYSE: CVX; \$106.40)
Cisco Systems Inc. (Nasdaq: CSCO; \$18.08)
Costco Wholesale Corp. (Nasdaq: COST; \$83.32)
General Electric Co. (NYSE: GE; \$17.91)
General Mills Inc. (NYSE: GIS; \$40.41)
The Home Depot (NYSE: HD; \$42.04)
Hormel Foods Corp. (NYSE: HRL; \$29.29)
International Business Machines (NYSE: IBM; \$183.88)
Microsoft Corp. (Nasdaq: MSFT; \$25.96)
NextEra Energy Inc. (NYSE: NEE; \$60.88)
Patterson Companies Inc. (Nasdaq: PDCO; \$29.52)
Teva Pharmaceuticals (Nasdaq: TEVA; \$40.36)
Valspar Corp. (NYSE: VAL; \$38.97)

Additions

No companies were added to the Prime Opportunity List since the previous publication.

Prime Opportunity List Investment Committee

Mike Hamilton, Analyst, CFA
RBC Capital Markets, LLC
mike.hamilton@rbc.com

Alan Robinson
RBC Capital Markets LLC
alan.robinson@rbc.com

Symbol	Company Name	Price 12/30/11	52- Wk Range	EPS (Calendar)			P/E		Dividend Yield	Market Cap (B)	Industry Sector
				2010A	2011E	2012E	2011E	2012E			
Core Investments											
ABT	Abbott Laboratories	\$56.23	57 - 45	\$4.17	\$4.65	\$5.03	12.2x	11.3x	3.39%	\$88.36	Health Care
CVX	Chevron Corp.	\$106.40	111 - 87	\$9.37	\$13.91	\$13.04	7.9x	8.5x	2.94%	\$219.80	Energy
CSCO	Cisco Systems Inc.	\$18.08	22 - 13	\$1.61	\$1.69	\$1.85	11.0x	10.1x	1.29%	\$100.15	Information Technology
COST	Costco Wholesale Corp.	\$83.32	89 - 70	\$3.05	\$3.49	\$4.04	24.3x	20.9x	1.13%	\$36.80	Consumer Staples
GE	General Electric Co	\$17.91	22 - 14	\$1.15	\$1.37	\$1.55	13.5x	11.8x	3.70%	\$193.83	Industrials
GIS	General Mills Inc.	\$40.41	41 - 35	\$2.41	\$2.55	\$2.73	15.8x	14.8x	3.03%	\$25.98	Consumer Staples
HD	Home Depot Inc.	\$42.04	43 - 28	\$2.00	\$2.36	\$2.70	17.9x	15.6x	2.75%	\$64.96	Consumer Discretionary
HRL	Hormel Foods Corp.	\$29.29	30 - 25	\$1.55	\$1.75	\$1.84	16.7x	15.9x	2.06%	\$7.70	Consumer Staples
IBM	Intl Business Machines Corp.	\$183.88	195 - 147	\$11.52	\$13.38	\$14.83	13.9x	12.6x	1.61%	\$219.58	Information Technology
MSFT	Microsoft Corp.	\$25.96	29 - 24	\$2.40	\$2.71	\$2.89	9.9x	9.3x	2.99%	\$225.15	Information Technology
PDCO	Patterson Companies Inc.	\$29.52	37 - 26	\$1.85	\$1.91	\$2.06	15.7x	14.5x	1.60%	\$3.32	Health Care
TEVA	Teva Pharmaceuticals	\$40.36	57 - 35	\$4.54	\$4.96	\$5.61	8.7x	7.7x	1.82%	\$40.60	Health Care
VAL	Valspar Corp.	\$38.97	41 - 27	\$2.30	\$2.70	\$3.04	14.5x	12.9x	2.04%	\$3.66	Materials
Aggressive Capital Appreciation											
NEE	NextEra Energy Inc.	\$60.88	61 - 49	\$4.30	\$4.38	\$4.55	13.5x	13.0x	3.73%	\$24.91	Utilities
							Portfolio Average:	14.0x	12.8x	2.43%	
SPX	S&P 500 Index	1257.60	1371 - 1075	\$85.28	\$97.14	\$103.14	13.1x	12.4x	1.97%		

	Year to Date Through 12/30/11	Last 12 Months Through 12/30/11	Since Inception Through 12/30/11
Cumulative Performance			
Prime Opportunity List	10.1%	10.1%	298.1%
S&P 500	2.2%	2.2%	246.6%

Inception date is March 27, 1995.

Dividend yield is calculated based on the most recent distribution (not the most recent declaration). A stands for actual earnings, E stands for estimated earnings based on First Call Consensus estimates. Information regarding returns is presented as total return and therefore includes dividends as well as capital appreciation and presumes reinvestment of dividends. Return is calculated on an equal-weighted, total return basis, and includes dividends, which are assumed to be reinvested. Return calculations do not include commissions, interest charges or other expenses that would be associated with an investment in the securities mentioned. Return calculations for the Prime Opportunity List include securities that have been removed from the portfolio. Performance information on removed stocks is available upon request. Prices utilized for performance calculation purposes are closing prices one full trading session following additions to or removals from the Prime Opportunity List. Past performance should not be viewed as an indicator of future results. Portfolio P/E ratios are derived from a simple average of individual stock P/E ratios. S&P 500 P/E ratios are based on First Call Consensus estimates, excluding figures that haven't been updated within 90 days.

Source: FactSet, RBC Wealth Management, and our national research correspondents.

Analyst Certification

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Important Disclosures

RBC Wealth Management is a division of RBC Capital Markets, LLC, which is an indirect wholly-owned subsidiary of the Royal Bank of Canada and, as such, is a related issuer of Royal Bank of Canada.

With respect to the companies that are the subject of this publication, clients may access current disclosures of RBC Wealth Management and its affiliates by accessing our web site at

<http://www.rbccm.com/GLDisclosure/PublicWeb/DisclosureLookup.aspx?EntityID=2> or by mailing a request for such information to RBC Wealth Management Research Publishing, 60 South Sixth Street, Minneapolis, MN 55402.

References to a Recommended List in the recommendation history chart may include one or more recommended lists or model portfolios maintained by RBC Wealth Management or one of its affiliates. RBC Wealth Management recommended lists include the Prime Opportunity List (RL 3), a former list called the Private Client Prime Portfolio (RL 4), the Guided Portfolio: Prime Income (RL 6), the Guided Portfolio: Large Cap (RL 7), the Guided Portfolio: Dividend Growth (RL 8), the Guided Portfolio: Midcap 111 (RL 9), and the Guided Portfolio: ADR (RL 10). RBC Capital Markets recommended lists include the Strategy Focus List and the Fundamental Equity Weightings (FEW) portfolios. The abbreviation 'RL On' means the date a security was placed on a Recommended List. The abbreviation 'RL Off' means the date a security was removed from a Recommended List.

Distribution of Ratings

For the purpose of ratings distributions, regulatory rules require member firms to assign ratings to one of three rating categories - Buy, Hold/Neutral, or Sell - regardless of a firm's own rating categories. Although RBC Wealth Management's ratings of Top Pick/Outperform, Sector Perform and Underperform most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis (as described below).

Rating	Count	%	Investment Banking Services Provided During Past 12 Months	
			Count	%
Buy (TP/O)	775	51.90	221	28.52
Hold (SP)	651	43.50	134	20.58
Sell (U)	69	4.60	6	8.70

Definitions of Rating Categories

An analyst's "sector" is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector, but does not attempt to provide the analyst's view of how the stock will perform relative to: (i) all companies that may actually exist in the company's sector, or (ii) any broader market index.

Ratings:

Top Pick (TP): Represents analyst's best idea in the sector; expected to provide significant absolute total return over 12 months with a favorable risk-reward ratio.

Outperform (O): Expected to materially outperform sector average over 12 months.

Sector Perform (SP): Returns expected to be in line with sector average over 12 months.

Underperform (U): Returns expected to be materially below sector average over 12 months.

Risk Qualifiers:

Average Risk (Avg): Volatility and risk expected to be comparable to sector; average revenue and earnings predictability; no significant cash flow/financing concerns over coming 12-24 months; and/or fairly liquid.

Above Average Risk (AA): Volatility and risk expected to be above sector; below average revenue and earnings predictability; may not be suitable for a significant class of individual equity investors; may have negative cash flow; and/or low market cap or float.

Speculative (Spec): Risk consistent with venture capital; low public float; potential balance sheet concerns; and/or risk of being delisted.

Valuation and Price Target Impediments

When RBC Wealth Management assigns a value to a company in a research report, FINRA Rules and NYSE Rules (as incorporated into the FINRA Rulebook) require that the basis for the valuation and the impediments to obtaining that valuation be described. Where applicable, this information is included in the text of our research in the sections entitled "Valuation" and "Price Target Impediment" respectively.

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors including total revenues RBC Capital Markets, LLC and its affiliates, a portion of which are or have been generated by investment banking activities of RBC Capital Markets, LLC and its affiliates.

RBC Capital Markets has fundamental research of Abbott Laboratories (NYSE:ABT; Outperform; \$56.23; Average Risk); Chevron Corp. (NYSE: CVX; Top Pick; \$106.40; Average Risk); Cisco Systems, Inc. (Nasdaq: CSCO; Sector Perform; \$18.08; Above Average Risk); General Mills Corp. (NYSE: GIS; Outperform; \$40.41; Average Risk); The Home Depot Inc. (NYSE: HD; Sector Perform; \$42.04; Above Average Risk); International Business Machines (NYSE: IBM; Sector Perform; \$183.88; Average Risk); Microsoft Corporation (Nasdaq: MSFT; Outperform; \$25.96; Average Risk); NextEra Energy Inc. (NYSE: NEE; Outperform; \$60.88; Average Risk); and Teva Pharmaceuticals (Nasdaq: TEVA; Outperform; \$40.36; Above Average Risk). RBC Capital Markets analysts have received (or will receive) compensation based in part upon the investment banking revenues of RBC Capital Markets.

RBC Wealth Management has fundamental research coverage of Hormel Foods Corporation (NYSE: HRL; Sector Perform; \$29.29; Average Risk); Patterson Companies (Nasdaq: PDCO; Outperform; \$29.52; Above Average Risk); and Valspar Corporation (NYSE: VAL; Outperform; \$38.97; Above Average Risk).

Research personnel, including the analyst or analyst team responsible for this report or recommendation or any individuals directly involved in the preparation of the report, hold(s) or exercise(s) investment discretion over a long position in the common shares of Chevron Corporation.

One or more household members of the analyst or of the team of individuals involved in the preparation of this report or recommendation hold or exercise investment discretion over a long position in the common shares of International Business Machines Corporation, Microsoft Corporation.

Other Disclosures

Prepared with the assistance of our national research sources.

RBC Wealth Management endeavors to make all reasonable efforts to provide research simultaneously to all eligible clients, having regard to local time zones in overseas jurisdictions. RBC Wealth Management research is posted to our proprietary Web sites to ensure eligible clients receive coverage initiations and changes in rating, targets, and opinions in a timely manner. Additional distribution may be done by sales personnel via e-mail, fax, or regular mail. Clients may also receive our research via third-party vendors. Please contact your RBC Wealth Management Financial Advisor for more information regarding RBC Wealth Management research.

Conflicts Disclosure: RBC Wealth Management's Policy for Managing Conflicts of Interest in Relation to Investment Research is available from us on request and is also made available on our website at <http://www.rbccm.com/GLDisclosure/PublicWeb/DisclosureLookup.aspx?EntityID=2>. We reserve the right to amend or supplement this policy at any time. For the current policy, please check our website.

The authors are employed by one of the following entities: RBC Wealth Management, a division of RBC Capital Markets, LLC, a securities broker-dealer with principal offices located in Minnesota and New York, USA.

Disclaimer

The information contained in this report has been compiled by RBC Wealth Management from sources believed to be reliable, but no representation or warranty, express or implied, is made by Royal Bank of Canada, RBC Wealth Management, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this report constitute RBC Wealth Management's judgment as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. This report is not an offer to sell or a solicitation of an offer to buy any securities. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Every province in Canada, state in the U.S. and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, any securities discussed in this report may not be eligible for sale in some jurisdictions. This report is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. Nothing in this report constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients, including clients who are affiliates of RBC Wealth Management, and does not have regard to the particular circumstances or needs of any specific person who may read it. The investments or services contained in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about the suitability of such investments or services. To the full extent permitted by law neither RBC Wealth Management nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein. No matter contained in this document may be reproduced or copied by any means without the prior consent of RBC Wealth Management. RBC Wealth Management is a division of RBC Capital Markets, LLC, which is an indirect wholly-owned subsidiary of the Royal Bank of Canada and, as such, is a related issuer of Royal Bank of Canada. Additional information is available upon request. Copyright © 2012 by RBC Capital Markets, LLC. Member NYSE/FINRA/SIPC. All rights reserved.