



RBC Canadian Equity Fund

Fund Category
Canadian Equity

Morningstar Rating™
★★★★

Investment Objective

To provide long-term capital growth by investing primarily in equity securities of major Canadian companies in order to provide broad exposure to economic growth opportunities in Canada.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF269
Adv	Deferred Sales	CAD	RBF847
Adv	Front End	CAD	RBF747
Adv	Low Load	CAD	RBF127
F	No Load	CAD	RBF609
I	No Load	CAD	RBF155

Inception Date	April 1967
Total Assets \$Mil	4,978.4
Series A NAV \$	23.82
Series A MER %	1.96
Benchmark	S&P/TSX Composite

Income Distribution	Annually
Capital Gains Distribution	Annually
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

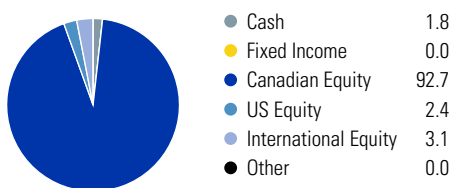
Management Company	RBC Asset Management Inc.
Web Site	www.rbcam.com

Notes

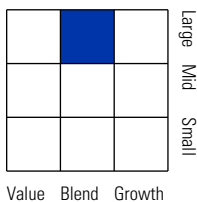
Minimum investment for Series I units of the Fund is \$500,000. Minimum additional investment is \$5,000.

Portfolio Analysis as of September 30, 2010

Asset Mix



Equity Style



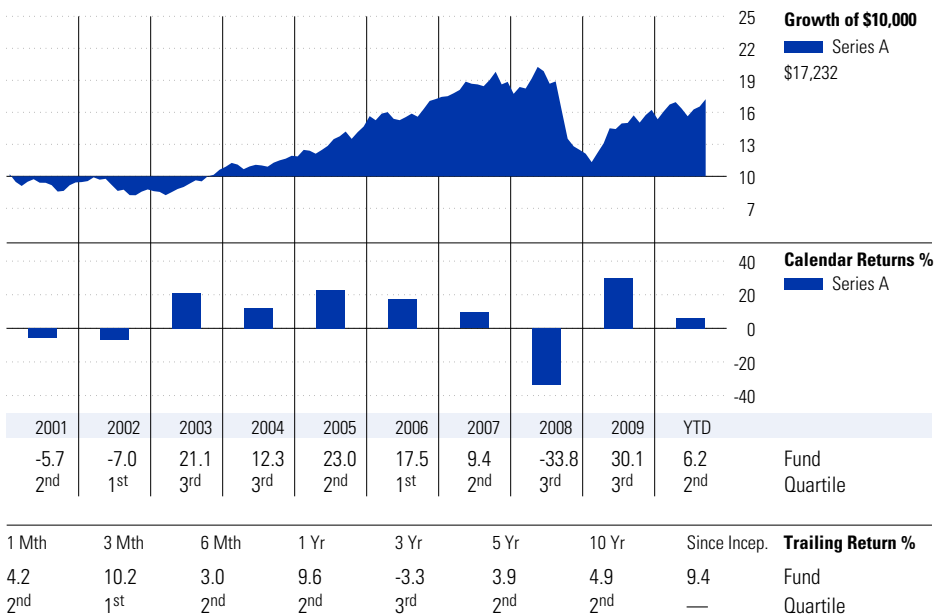
Global Equity Sectors

Sector	% Equity
Financials	28.9
Energy	25.6
Materials	22.7
Industrials	6.7
Consumer Discretionary	5.2
Telecommunication Services	3.5
Information Technology	2.8
Consumer Staples	2.8
Utilities	1.0
Health Care	0.5
Unclassified	0.2

Top 25 Holdings

Company	% Assets
Royal Bank of Canada	5.5
Toronto-Dominion Bank	5.0
Suncor Energy, Inc.	3.9
Bank of Nova Scotia	3.5
Barrick Gold Corporation	3.4
Potash Corporation of Saskatchewan, Inc.	3.3
Canadian Natural Resources, Ltd.	3.1
Canadian National Railway Company	2.5
Goldcorp, Inc.	2.4
Canadian Imperial Bank of Commerce	2.3
EnCana Corporation	2.1
Bank of Montreal	2.1
Research in Motion, Ltd.	2.0
TransCanada Corporation	1.9
Cenovus Energy Inc	1.8
Rogers Communications Inc B	1.8
Power Corporation Of Canada Sub Vtg	1.8
Talisman Energy, Inc.	1.7
Thomson Reuters Corporation	1.4
Manulife Financial Corporation	1.4
Enbridge, Inc.	1.4
Brookfield Asset Management, Inc. A	1.4
Teck Resources Ltd Sub Voting Share	1.4
Canadian Oil Sands Trust	1.3
Magna International A	1.2
Total % of Top 25 Holdings	59.8
Total Number of Stock Holdings	140
Total Number of Bond Holdings	0
Total Number of Other Holdings	19
Total Number of Holdings	159

Performance Analysis as of September 30, 2010





RBC Canadian Equity Fund

Management Overview

Manager Bios

RBC AM Canadian Equity Committee

Chaired by Stuart Kedwell, Senior Vice President and Co-Head, Canadian Equity Committee and Doug Raymond, Senior Vice President and Co-Head, Canadian Equity Committee.

Performance Analysis Cont'd as of September 30, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	—	0.89	—	2.37	0.70	0.25	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.89	—	2.37	0.70	0.25	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	8-2000	42.1	3-2006	24.5	10-2007	19.2	8-2000	12.3
Worst	2-2009	-38.3	2-2009	-9.4	8-1992	-2.3	8-2010	4.0
Average		8.6		8.3		8.7		8.8
No. of Periods		289		265		241		181
Pct. Positive		70.6		81.5		97.1		100.0

* Distributions are characterized into income type at year-end.

Quarterly Commentary as at September 30, 2010

In the third quarter, the RBC Canadian Equity Fund (Series A) gained 10.2%, compared to a 10.3% gain for the S&P/TSX Composite Total Return Index.

Gains in the quarter were broad based; the Index was lifted by positive performance from nine of the ten sectors.

Materials, accounting for over 20% of the Index, was the strongest performer climbing 18.2%. The gain was largely attributable to rising prices for diversified and precious metals. It was also buoyed by rising shares of benchmark heavyweight Potash Corp., which jumped 25% after BHP Billiton Ltd. made a hostile takeover bid for the company in August. An overweight position in the sector, combined with strong security selection, contributed to Fund outperformance within the space.

Other key sectors, Financials and Energy, lagged the overall Index with returns of 7.8% and 7.0%, respectively. The Fund outperformed relative to

Financials, while unfavourable stock selection in Energy detracted from returns.

During the quarter, investors faced with a decline in longer-term bond yields and macro-uncertainty sought out higher-yielding securities with defensive characteristics. This led to outsized gains for Consumer Staples and Utilities, up 15.4% and 15.5%, respectively. The Fund was able to capitalize on movements within Consumer Staples, partially offset by an underweight in Utilities.

Overall, the macro-economic backdrop remains challenging; the financial crisis has left in its wake higher public debt loads and tepid levels of growth. Heightened volatility, which may create additional opportunities for active managers, is likely to persist as investors gauge the impact of tougher regulations and gradual removal of economic stimulus. Despite its recent outperformance versus other global indices, the S&P/TSX Composite Index remains below the midpoint of our estimate of fair value, and reasonable returns are forecast.

RBC Canadian Equity Fund

Disclosure

RBC Funds are offered by RBC Asset Management Inc. and distributed through authorized dealers. RBC Global Asset Management (RBC GAM) comprises RBC Asset Management Inc. (RBC AM), Phillips, Hager & North Investment Management Ltd. (PH&N) and RBC Global Asset Management (U.S.) Inc., which are separate legal entities owned by Royal Bank of Canada.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus of the mutual fund before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or covered by the Canadian Deposit Insurance Corporation or by any other government deposit insurer. The value of mutual funds change frequently and past performance may not be repeated.

The Top 25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

MER (%) based on actual expenses for half-

year period January 1 to June 30, 2010, expressed on an annualized basis.

Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on investment of any fund.

This fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in this fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in this fund profile without seeking the advice of an appropriate professional advisor.

For money market funds, the performance data assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. In addition, for money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm. Quartile rankings are

comparisons of the performance of a fund to other funds in a particular category and are subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A units of the Fund as of September 30, 2010.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of September 30, 2010. The ratings are subject to change every month. The ratings are calculated for funds with a minimum of 3 years of performance, calculated from the funds' 1 and 3 year average annual returns measured against a 91-day Treasury Bill return with appropriate fee adjustments. The top 10% of the funds in a category receive 5 stars (high); if the funds fall in the next 22.5%, they receive 4 stars (above average); a place in the middle 35% earns a fund 3 stars (neutral or average); those in the next 22.5% receive 2 stars (below average); and the lowest 10% get 1 star (low). Ratings are just one factor to consider when investing. For more information, please see www.morningstar.ca.

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