



# RBC North American Growth Fund

## Fund Category

Canadian Focused Equity

## Morningstar Rating™

★★★

## Investment Objective

To provide long-term capital growth by investing primarily in equity securities of Canadian and/or U.S. companies that offer above-average prospects for growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF265
Adv	Deferred Sales	CAD	RBF858
Adv	Front End	CAD	RBF767
Adv	Low Load	CAD	RBF131
F	No Load	CAD	RBF611

Inception Date	January 1993
Total Assets \$Mil	540.5
Series A NAV \$	22.12
Series A MER %	2.07
Benchmark	50% S&P 500 (\$C) 50% S&P/TSX Composite

Income Distribution	Annually
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

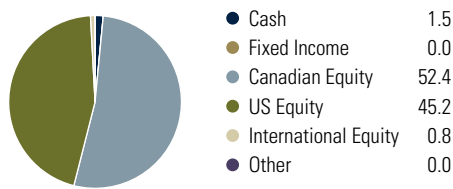
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

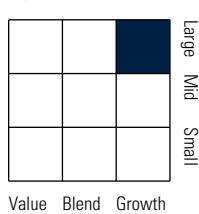
The investment objective and name changed July 4, 2006.

## Portfolio Analysis as of December 31, 2011

### Asset Mix



### Equity Style



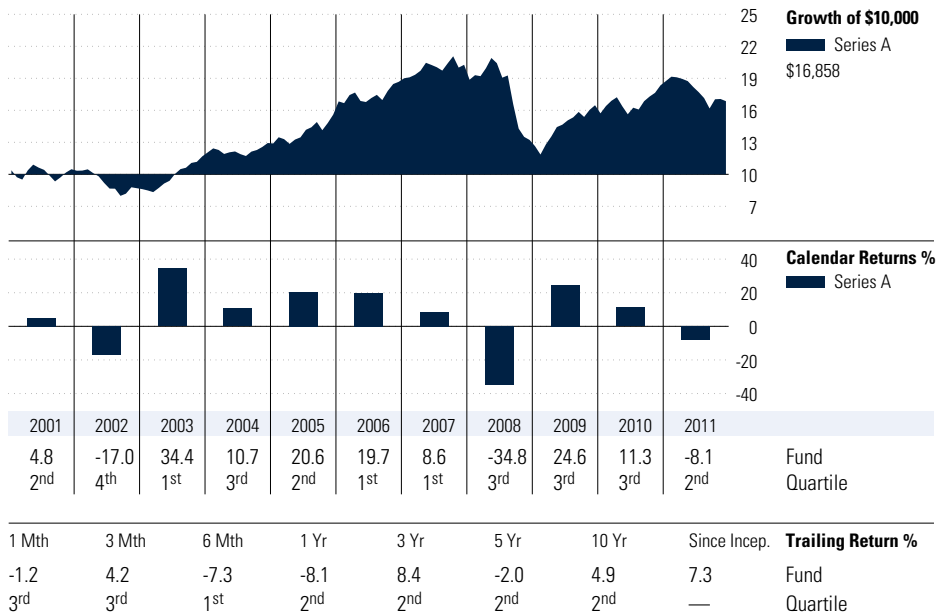
### Global Equity Sectors

Sector	% Equity
Financials	21.9
Energy	20.5
Materials	12.9
Information Technology	11.5
Consumer Discretionary	9.5
Industrials	8.7
Consumer Staples	6.8
Health Care	5.0
Telecommunication Services	2.4
Utilities	0.8
Unclassified	0.0

### Top 25 Holdings

Company	% Assets
Toronto-Dominion Bank	2.9
Royal Bank of Canada	2.9
Bank of Nova Scotia	2.3
Suncor Energy Inc	2.1
Canadian Natural Resources Ltd	2.0
Exxon Mobil Corporation	2.0
Barrick Gold Corporation	2.0
Goldcorp, Inc.	1.6
Canadian National Railway Co	1.6
Apple, Inc.	1.5
Potash Corporation of Saskatchewan, Inc.	1.5
Qualcomm, Inc.	1.3
TransCanada Corp	1.3
Power Corporation Of Canada	1.3
Bank of Montreal	1.3
CIBC	1.2
TJX Companies	1.2
Cenovus Energy, Inc.	1.2
Enbridge, Inc.	1.1
Chevron Corp	1.1
MasterCard Incorporated A	1.0
Google, Inc.	1.0
International Business Machines Corp	1.0
Kraft Foods Inc	0.9
Teck Resources Ltd Class B	0.9
Total % of Top 25 Holdings	38.1
Total Number of Stock Holdings	163
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>164</b>

## Performance Analysis as of December 31, 2011





# RBC North American Growth Fund

## Management Overview

### Manager Bios

#### Ray Mawhinney

##### RBC Global Asset Management Inc.

Ray Mawhinney is Senior Vice President, U.S. and Global Equities. He has been in the investment industry since 1984.

#### Warner Sulz

##### RBC Global Asset Management Inc.

Warner Sulz is Vice President and Senior Portfolio Manager, Canadian Equities. He has been in the investment industry since 1986.

#### Marcello Montanari

Marcello Montanari is Vice President and Senior Portfolio Manager, Canadian Equities. He has been in the Investment Industry since 1999.

### Performance Analysis Cont'd as of December 31, 2011

Distributions (\$)/Unit	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	—	0.33	0.59	—	0.16	3.91	1.38	0.78	—	—	—
Interest	—	—	0.34	—	—	0.11	—	—	—	—	—
Dividends	—	0.33	0.25	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	0.16	3.80	1.38	0.78	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2000	53.4	3-2006	27.9	10-2007	20.8	8-2008	11.6
Worst	2-2009	-38.6	2-2009	-10.7	9-2002	-3.2	8-2010	3.5
Average		8.3		7.5		7.7		7.3
No. of Periods		216		192		168		108
Pct. Positive		69.4		76.0		92.3		100.0

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

### Quarterly Commentary as at December 31, 2011

In the 4th quarter, the RBC North American Growth Fund (Series A) returned 4.2% versus the benchmark at 6.2%.

The Fund's Canadian equity portion gained 2.7% in the quarter, underperforming the S&P/TSX Composite Index which increased 3.6%. The Fund's U.S. equity portion gained 8.6% (in US\$), underperforming the S&P 500 which increased 11.8% (in US\$). The U.S. dollar was down modestly against the Canadian dollar, offsetting some of the appreciation in U.S. stocks.

The Fund's relative performance in Canada was hurt by stock selection in the Information Technology, Energy, and Health Care sectors. Stocks selected in Materials such as Quadra FNX Mining (which was the beneficiary of a friendly cash bid at a 35% premium), Tahoe Resources, and Teck Resources, positively contributed to the Fund's relative performance. Stock selection in

Financials also outperformed. U.S. performance was poor relative to benchmark, driven by weakness in Information Technology, Health Care, and Energy.

Overall, stocks bounced back in Q4 after a significantly poor performance of the equity market since the financial crisis. Extreme levels of pessimism that prevailed during the summer led to a low in early October. This was followed by a market rally supported by positive moves from European politicians, strength in the U.S. economy, and continued stable outlook for corporate earnings. It now appears that last year's lows in equity prices were due to pricing in a global recession. While economic challenges exist, a more favourable outlook is based on facts that, valuations are attractive, corporate fundamentals remain healthy, and the global economy continues to grow despite repeated market shocks.

#### Major Buys

Inmet Mining  
Nexen Inc.  
Viterra Inc.  
The Boeing Company  
Lennar Corp.

#### Major Sells

Canadian Oil Sands Limited  
Fortis Inc.  
Chesapeake Energy Corporation  
Goodrich Corp  
Nordstrom, Inc.



## RBC North American Growth Fund

### Disclosure

RBC Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

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.

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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](http://www.sedar.com).

MER (%) based on actual expenses for full year period January 1 to December 31, 2011.

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 December 31, 2011.

Morningstar ratings are overall ratings reflecting risk adjusted performance as December 31, 2011. 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](http://www.morningstar.ca).

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