



RBC Canadian Dividend Fund

Fund Category

Canadian Dividend & Income Equity

Morningstar Rating™

★★★

Investment Objective

To achieve long-term total returns consisting of regular dividend income, which benefits from the preferential tax treatment given to dividend income, and modest long-term capital growth. The fund invests primarily in common and preferred shares of major Canadian companies with above average dividend yields.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF266
Adv	Front End	CAD	RBF759
Adv	Low Load	CAD	RBF107
F	No Load	CAD	RBF607
I	No Load	CAD	RBF150
T	No Load	CAD	RBF598

Inception Date	January 1993
Total Assets \$Mil	12,830.9
Series A NAV \$	45.51
Series A MER %	1.77
Benchmark	S&P/TSX Composite

Income Distribution	Quarterly
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

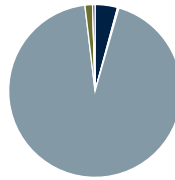
Notes

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

Fund name changed effective July 4, 2006.

Portfolio Analysis as of December 31, 2011

Asset Mix

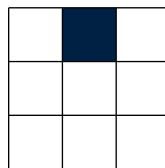


	% Assets
Cash	4.2
Fixed Income	0.3
Canadian Equity	93.7
US Equity	1.4
International Equity	0.0
Other	0.5

Top 25 Holdings

	% Assets
Royal Bank of Canada	7.5
Toronto-Dominion Bank	7.2
Bank of Nova Scotia	5.1
CIBC	3.9
Bank of Montreal	3.6
Enbridge, Inc.	3.5
TransCanada Corp	3.1
Canadian Natural Resources Ltd	3.0
Brookfield Asset Management Inc Class A	2.9
Canadian National Railway Co	2.8
Power Corporation Of Canada	2.7
Imperial Oil Ltd	2.4
Suncor Energy Inc	2.3
Cenovus Energy, Inc.	2.2
Manulife Financial Corporation	2.0
Barrick Gold Corporation	1.9
TELUS Corp	1.8
BCE Inc	1.8
Potash Corporation of Saskatchewan, Inc.	1.8
Thomson Reuters Corporation	1.8
Shaw Communications, Inc. B	1.5
Husky Energy, Inc.	1.5
CI Financial Corp	1.5
Magna International Class A	1.4
Atco Ltd.	1.1
Total % of Top 25 Holdings	70.3
Total Number of Stock Holdings	88
Total Number of Bond Holdings	3
Total Number of Other Holdings	3
Total Number of Holdings	94

Equity Style



Value Blend Growth

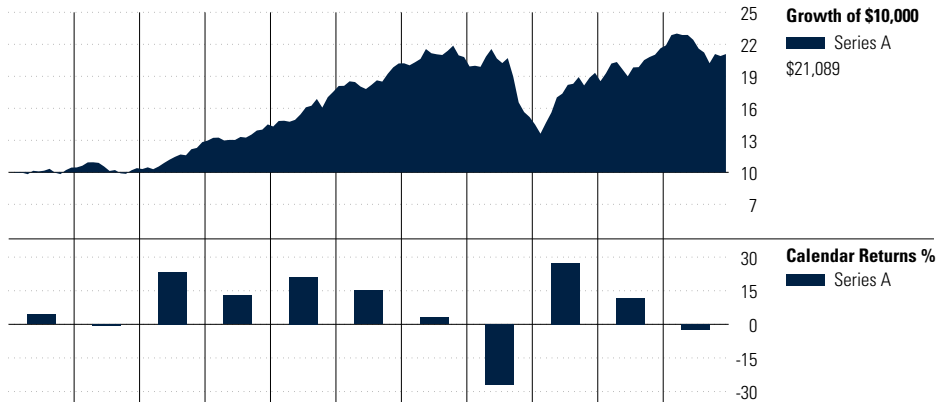
Equity Statistics

P/B Ratio	1.7
P/E Ratio	12.1
Avg Mkt Cap \$Bil	20.9

Global Equity Sectors

	% Equity
Financials	44.6
Energy	25.9
Industrials	6.7
Consumer Discretionary	6.0
Materials	5.6
Telecommunication Services	4.6
Consumer Staples	3.4
Utilities	3.0
Health Care	0.2
Unclassified	0.0
Information Technology	0.0

Performance Analysis as of December 31, 2011



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Calendar Returns %	4.4	-0.5	23.5	12.9	21.1	15.1	3.0	-27.0	27.3	11.9	-2.5	Fund
	3 rd	2 nd	2 nd	4 th	2 nd	1 st	2 nd	3 rd	3 rd	3 rd	3 rd	Quartile

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Value	0.9	4.3	-6.0	-2.5	11.6	0.9	7.3	10.8	Fund
Quartile	3 rd	3 rd	4 th	3 rd	3 rd	3 rd	2 nd	—	Quartile



RBC Canadian Dividend Fund

Management Overview

Manager Bios

Stuart Kedwell

RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, Canadian Equity Committee. He has been in the investment industry since 1997.

Doug Raymond

RBC Global Asset Management Inc.

Doug Raymond is Senior Vice President and Co-Head, Canadian Equity Committee. He has been in the investment industry since 1985.

Performance Analysis Cont'd as of December 31, 2011

Distributions (\$)/Unit	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.54	0.66	0.66	0.47	2.14	1.02	0.33	0.51	0.44	0.70	0.47
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	0.54	0.66	0.66	0.47	0.21	0.32	0.33	0.51	0.44	0.70	0.47
Capital Gains	—	—	—	—	1.93	0.70	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	7-1997	51.3	3-1998	29.9	3-1998	21.1	3-2006	15.9
Worst	2-2009	-31.9	2-2009	-9.1	2-2009	0.6	2-2009	6.1
Average		12.0		12.0		12.1		11.9
No. of Periods		216		192		168		108
Pct. Positive		80.1		88.5		100.0		100.0

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

Quarterly Commentary as at December 31, 2011

In the 4th quarter, the RBC Canadian Dividend Fund (Series A) returned 4.3%, versus 3.6% for its benchmark.

Investors continue to assess the impact of global economic prospects on the earnings outlook for the S&P/TSX Composite Index listed companies. Given the level of investor uncertainty and low lending rate environment, the appetite for high yielding securities continues this quarter.

Outperformers included Energy, Industrials and Telecommunication Services, while Materials and Consumer Discretionary underperformed.

Fund performance relative to the benchmark was positive, driven primarily by relative outperformance in Energy and Materials. The Fund held an overweight position in Energy which gained 12% as crude oil prices improved on recovering sentiment and ongoing Middle Eastern political unrest. Materials ended the quarter lower as prices for gold and precious metals slipped. Fund performance benefitted from a significant

underweight position in the sector relative to the benchmark.

Industrials climbed 15%. The move was aided by Canadian Pacific Railway (CP) shares which gained after the U.S. hedge fund, Pershing Square Capital Management LP, emerged as an activist shareholder. The Fund added to positions in Finning and SNC Lavalin, as we recognized the shares were trading below their fundamental value, thus benefitting overall performance.

Telecommunication Services showed continued strength as investors sought the relative safety of higher yielding securities. This sector has been a top performer for the year, despite increasing competition. An underweight position in the Fund has been negative for relative performance.

We remain constructive, but continue to monitor the macro environment closely. We believe that given the low interest rate environment, we expect dividend paying securities will remain attractive to investors.



RBC Canadian Dividend 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.

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.

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