



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.

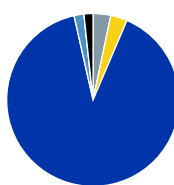
Fund Details

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	10,941.4
Series A NAV \$	43.58
Series A MER %	1.70
Benchmark	S&P/TSX Composite
Income Distribution	Quarterly
Capital Gains Distribution	Annually
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25
Management Company	RBC Asset Management Inc.
Web Site	www.rbcam.com

Portfolio Analysis as of July 31, 2010

Asset Mix

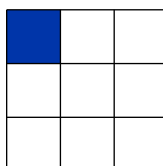


	% Assets
Cash	3.3
Fixed Income	3.1
Canadian Equity	90.0
US Equity	1.8
International Equity	0.0
Other	1.7

Top Ten Holdings

	% Assets
Royal Bank of Canada	7.8
Toronto-Dominion Bank	7.0
Bank of Nova Scotia	4.7
Bank of Montreal	4.0
Canadian Imperial Bank of Commerce	3.5
Cash & Cash Equivalents	3.3
Manulife Financial Corporation	3.2
Suncor Energy, Inc.	3.0
Power Corporation Of Canada Sub Vtg	3.0
Enbridge, Inc.	2.9
Total % of Top 10 Holdings	42.5
Total Number of Stock Holdings	72
Total Number of Bond Holdings	13
Total Number of Other Holdings	15
Total Number of Holdings	100

Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	1.8
P/E Ratio	14.9
Avg Mkt Cap \$Bil	22.1

Global Equity Sectors

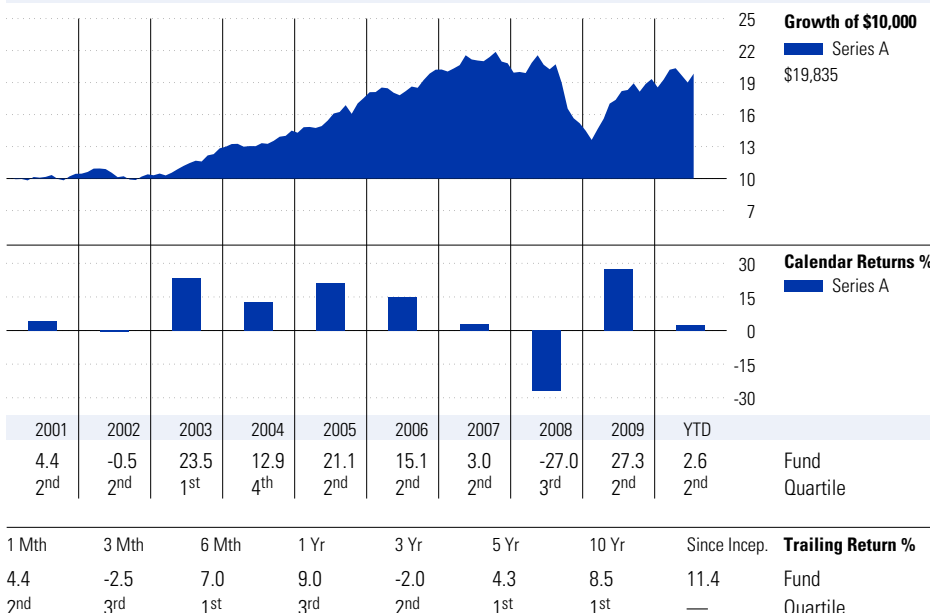
	% Equity
Financials	47.5
Energy	24.6
Industrials	6.1
Consumer Discretionary	6.0
Telecommunication Services	5.2
Materials	4.9
Consumer Staples	2.9
Utilities	2.6
Health Care	0.3
Unclassified	0.0
Information Technology	0.0

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.

Performance Analysis as of July 31, 2010



RBC Canadian Dividend Fund

Management Overview

Manager Bios

Stuart Kedwell

RBC 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 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 July 31, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.37	0.66	0.47	2.14	1.02	0.33	0.51	0.44	0.70	0.47
Interest	0.37	—	—	—	—	—	—	—	—	—
Dividends	—	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		12.2		12.7		13.0		12.5
No. of Periods		199		175		151		91
Pct. Positive		79.9		89.1		100.0		100.0

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

Quarterly Commentary as at June 30, 2010

In the second quarter, the RBC Canadian Dividend Fund (Series A) declined 5.9%, compared to a 5.5% decline for S&P/TSX Composite Total Return Index.

Canada's stock market, highly exposed to Energy and Financials, finished in negative territory as uncertainty over the recovery in global economic growth stoked concern about banks and commodity producers. 2009's positive momentum faded on mounting concern about Europe's sovereign-debt crisis and policy tightening in China. The G20's decision to focus on deficit reduction rather than increased government spending, added to investor nervousness about the sustainability of the global economic recovery.

Financials performed poorly, driven primarily by company-specific events such as lower-than-expected earnings from Canada's big banks. As the Fund generally emphasizes traditional higher dividend-paying sectors, its positions in Royal Bank, Manulife, TD Bank and Power Corp dragged on performance.

Major Buys

Magna International Inc.
Canadian Natural Resources
Westshore Terminals Inc.

Stock selection helped minimize losses in Energy against a backdrop of inventory oversupply and worries of stalling emerging-market growth. Our holdings in Enbridge Inc. and Cenovus were among the best performers in the sector. An underweight position in Telecommunication Services had a negative impact on Fund performance, since Telecommunication companies such as Telus and BCE, benefited from investors seeking stocks with dependable cash flows in an uncertain market environment.

Gold bullion and shares performed well amid uncertainty as European sovereign-debt concerns reigned supreme and Fund performance was positively impacted by holdings in Barrick Gold, Goldcorp and the iShares S&P/TSX Gold Index Fund.

A strong housing market, improved job outlook and rebound in manufacturing are setting the stage for a continued improvement in the Canadian economy.

Major Sells

iShares S&P/TSX 60
Labrador Iron Ore Income Fund
Goldcorp Inc.



RBC Canadian Dividend 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.

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 July 31, 2010.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of July 31, 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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