



# RBC North American Value 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 priced below their true value and offering long-term opportunities for growth.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF554    |
| Adv    | Deferred Sales | CAD      | RBF857    |
| Adv    | Front End      | CAD      | RBF766    |
| Adv    | Low Load       | CAD      | RBF130    |
| F      | No Load        | CAD      | RBF608    |

|                    |  |
|--------------------|--|
| Inception Date     | April 1998                                 |
| Total Assets \$Mil | 243.3                                      |
| Series A NAV \$    | 15.44                                      |
| Series A MER %     | 2.00                                       |
| Benchmark          | 50% S&P 500 (\$C)<br>50% S&P/TSX Composite |

|                            |          |
|----------------------------|----------|
| Income Distribution        | Annually |
| Capital Gains Distribution | Annually |

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

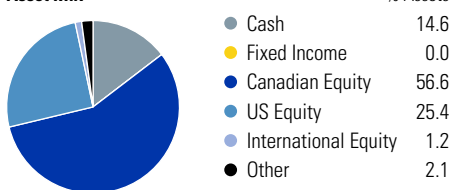
|                    |                           |
|--------------------|---------------------------|
| Management Company | RBC Asset Management Inc. |
| Web Site           | www.rbcam.com             |

## Notes

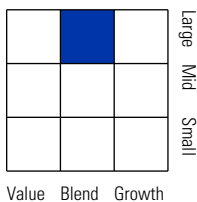
Fund's investment objective and name changed July 4, 2006.

## Portfolio Analysis as of July 31, 2010

### Asset Mix



### Equity Style



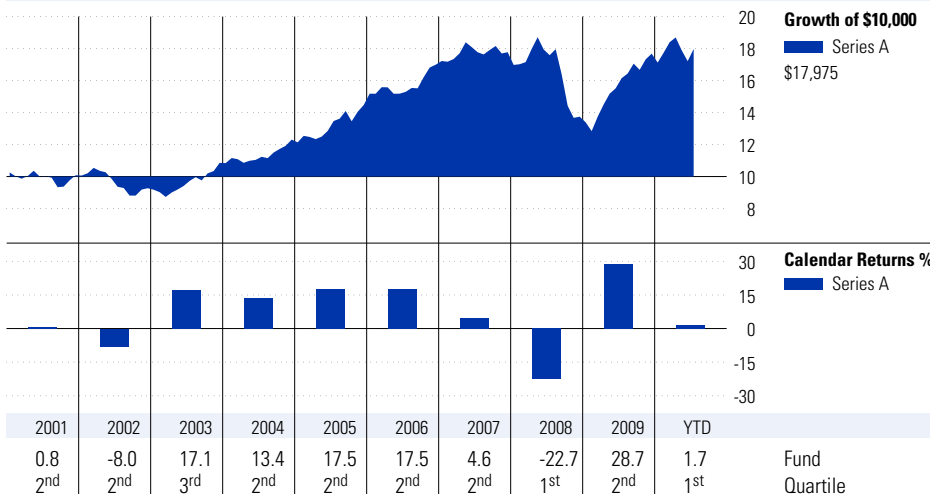
### Global Equity Sectors

| Sector                     | % Equity |
|----------------------------|----------|
| Financials                 | 29.6     |
| Energy                     | 24.1     |
| Industrials                | 12.6     |
| Consumer Discretionary     | 8.7      |
| Materials                  | 7.7      |
| Information Technology     | 6.8      |
| Health Care                | 5.4      |
| Consumer Staples           | 3.3      |
| Utilities                  | 1.7      |
| Unclassified               | 0.0      |
| Telecommunication Services | 0.0      |

### Top Ten Holdings

| Holder                                | % Assets    |
|---------------------------------------|-------------|
| Cash & Cash Equivalents               | 14.6        |
| Toronto-Dominion Bank                 | 4.0         |
| Royal Bank of Canada                  | 3.4         |
| Bank of Nova Scotia                   | 3.0         |
| Suncor Energy, Inc.                   | 2.7         |
| Ishares S&P / Tsx Global Gold Index   | 2.1         |
| Canadian Natural Resources, Ltd.      | 2.1         |
| Canadian Oil Sands Trust              | 2.0         |
| Manulife Financial Corporation        | 2.0         |
| Canadian National Railway Company     | 1.9         |
| <b>Total % of Top 10 Holdings</b>     | <b>38.0</b> |
| <b>Total Number of Stock Holdings</b> | <b>93</b>   |
| <b>Total Number of Bond Holdings</b>  | <b>0</b>    |
| <b>Total Number of Other Holdings</b> | <b>2</b>    |
| <b>Total Number of Holdings</b>       | <b>95</b>   |

## Performance Analysis as of July 31, 2010



| Period       | Trailing Return % | Fund Quartile   |
|--------------|-------------------|-----------------|
| 1 Mth        | 4.4               | 2 <sup>nd</sup> |
| 3 Mth        | -3.8              | 2 <sup>nd</sup> |
| 6 Mth        | 5.0               | 1 <sup>st</sup> |
| 1 Yr         | 11.3              | 1 <sup>st</sup> |
| 3 Yr         | 0.4               | 1 <sup>st</sup> |
| 5 Yr         | 5.9               | 1 <sup>st</sup> |
| 10 Yr        | 6.3               | 1 <sup>st</sup> |
| Since Incep. | 6.1               | —               |



# RBC North American Value 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     | —    | 0.58 | —    | 1.80 | 1.70 | 0.65 | —    | —    | —    | —    |
| Interest                | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Dividends               | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Capital Gains           | —    | 0.58 | —    | 1.80 | 1.70 | 0.65 | —    | —    | —    | —    |
| Return Of Capital       | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |

| Best/Worst Periods % | Ended  | 1Yr   | Ended  | 3Yr  | Ended   | 5Yr   | Ended  | 10Yr  |
|----------------------|--------|-------|--------|------|---------|-------|--------|-------|
| Best                 | 2-2010 | 38.2  | 3-2006 | 21.3 | 10-2007 | 15.6  | 8-2008 | 10.3  |
| Worst                | 2-2009 | -24.6 | 2-2009 | -5.4 | 4-2003  | 0.6   | 1-2009 | 5.7   |
| Average              |        | 8.4   |        | 8.0  |         | 8.7   |        | 7.2   |
| No. of Periods       |        | 136   |        | 112  |         | 88    |        | 28    |
| Pct. Positive        |        | 70.6  |        | 85.7 |         | 100.0 |        | 100.0 |

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

### Quarterly Commentary as at June 30, 2010

The RBC North American Value Fund (Series A) lost 6.4%, compared to 5.5% loss for the S&P/TSX Composite Total Return Index in the second quarter.

Fund performance benefited from an overweight position in Canadian stocks, which made up about two-thirds of the Portfolio, versus U.S. equities. Stock selection in the Canadian Energy sector had a positive effect on Fund performance, which helped offset industry worries about inventory oversupply and the sustainability of emerging-market demand. In Financials, a decline in provisions for credit losses helped drive earnings at the big banks, although gains in bank stocks were pared after Royal Bank of Canada posted quarterly results that disappointed some investors. The Industrials sector in the U.S. portion of the Portfolio performed well, in part, due to the Fund's exposure to engine-maker, Cummins.

Canada was the first G8 country to begin tightening monetary policy, boosting the short-term policy rate to 0.50% from 0.25%, against a backdrop of improving economic data and relatively healthy government finances. The Bank of Canada may stay on hold until the central bank can get a better idea of the state of the global economy, especially given recent developments in Europe and the patchy U.S. economic recovery.

A strong housing market, an improved job outlook and a rebound in manufacturing are setting the stage for a continued, albeit slow, improvement in the Canadian economy. South of the border, the U.S. housing market has yet to stabilize comfortably. Tougher regulations, the removal of stimulus in emerging economies and rising debt levels in the developed world market are among the key issues that will determine the magnitude and pace of the economic recovery.



# RBC North American Value 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](http://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](http://www.morningstar.ca).

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