



# RBC North American Dividend Fund

**Fund Category**  
North American Equity

**Morningstar Rating™**  
★★★

## Investment Objective

To achieve long-term capital growth and regular dividend income by investing primarily in common and preferred shares of major Canadian and/or U.S. companies with above-average dividend yields.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF590
Adv	Deferred Sales	CAD	RBF802
Adv	Front End	CAD	RBF702
Adv	Low Load	CAD	RBF129
F	No Load	CAD	RBF902
T	No Load	CAD	RBF599

Inception Date	July 2006
Total Assets \$Mil	132.7
Series A NAV \$	13.06
Series A MER %	2.00
Benchmark	50% S&P 500 (\$C) 50% 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.
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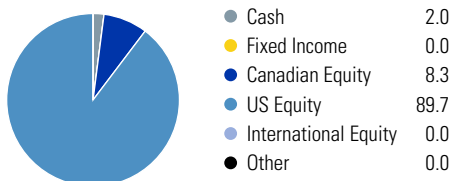
Web Site	www.rbcam.com
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## Notes

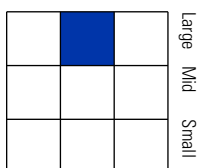
Fund's investment objective and name changed July 4, 2006.

## Portfolio Analysis as of July 31, 2010

### Asset Mix



### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.0
P/E Ratio	13.7
Avg Mkt Cap \$Bil	37.2

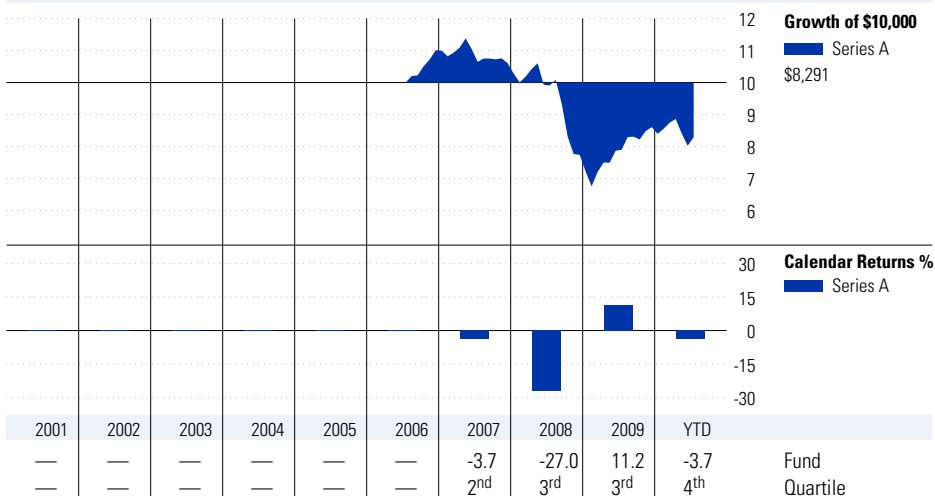
### Global Equity Sectors

Sector	% Equity
Information Technology	18.0
Financials	15.7
Industrials	11.9
Consumer Staples	11.0
Health Care	10.5
Energy	10.0
Consumer Discretionary	6.8
Materials	6.3
Telecommunication Services	5.5
Utilities	4.3
Unclassified	0.0

### Top Ten Holdings

Company	% Assets
Apple, Inc.	2.8
Citigroup, Inc.	2.5
AmerisourceBergen Corporation	2.5
International Business Machines Corp	2.2
Express Scripts	2.1
General Electric Company	2.0
Cash & Cash Equivalents	2.0
AT&T, Inc.	2.0
J.P. Morgan Chase & Co.	1.9
Procter & Gamble Company	1.9
Total % of Top 10 Holdings	22.0
Total Number of Stock Holdings	87
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>89</b>

## Performance Analysis as of July 31, 2010



Period	Trailing Return %	Quartile
1 Mth	3.3	3rd
3 Mth	-6.5	3rd
6 Mth	-1.3	4th
1 Yr	5.0	4th
3 Yr	-8.0	3rd
5 Yr	—	—
10 Yr	—	—
Since Incep.	-4.0	—



# RBC North American Dividend Fund

## Management Overview

### Manager Bios

#### Brad Willock

##### RBC Asset Management Inc.

Brad Willock is Vice President and Senior Portfolio Manager, U.S. Equities. He has been in the investment industry since 1996.

#### Cameron Hurst

##### RBC Asset Management Inc.

Cameron Hurst is Portfolio Manager, U.S. and Global Equities. He has been in the investment industry since 1999.

#### James Learmonth

##### RBC Asset Management Inc.

James Learmonth is Portfolio Manager, U.S. Equities. He has been in the investment industry since 2000.

### Performance Analysis Cont'd as of July 31, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.01	0.07	0.17	1.12	0.52	—	—	—	—	—
Interest	0.01	0.01	0.05	0.04	0.01	—	—	—	—	—
Dividends	—	0.06	0.12	0.12	—	—	—	—	—	—
Capital Gains	—	—	—	0.95	0.52	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2010	26.6	8-2009	-6.7	—	—	—	—
Worst	2-2009	-32.5	6-2010	-10.1	—	—	—	—
Average		-6.2		-7.9				
No. of Periods		37		13				
Pct. Positive		37.8		0.0				

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

### Quarterly Commentary as at June 30, 2010

In the second quarter, the RBC North American Dividend Fund (Series A) fell 8.2%, compared to a 6.3% loss for its benchmark.

The second quarter was very challenging for the U.S. stock market as macro economic data took a turn for the worse across the world. The European financial crisis and the threat of contagion to other countries convinced many investors to reduce their risk. China's efforts to stem real estate speculation and moderate inflation led to concern about a sharp slowdown for that economy. Meanwhile, in the U.S., weak economic data drove bond yields to cycle lows and led investors to consider the prospects of a double-dip recession.

Within sectors, Information Technology and Telecommunication Services were among the best performers in the quarter. Within the Fund, an overweight position in Telecommunication Services, as well as an overweight position in semiconductors and equipment names within the

Information Technology sector, contributed positively to overall performance. However, exposure to the Financial Services sector had a negative impact to performance during the quarter as uncertainty regarding regulatory reform pressured the group.

Apple Inc. and Qwest Communications International Inc. were strong performers, while Microsoft Corp. and Goldman Sachs temporarily lagged the market.

We believe that total rates of return will be positive for 2010 as both the U.S. and global economies continue to recover. In our view, economic growth for the remainder of the year is likely to be modest; however, we do not expect another recession. Given high corporate operating leverage, strong balance sheets and valuations that remain attractive, we are optimistic regarding the prospects for stocks over the intermediate term.

#### Major Buys

Caterpillar Inc.  
Ace Ltd.  
Deer & Co.

#### Major Sells

Pfizer Inc.  
Amazon.com  
Anadarko Petroleum Corp.



# RBC North American 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](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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