



# RBC Canadian Equity Income Fund

**Fund Category**  
Canadian Income Trust Equity

**Morningstar Rating™**  
★★★★★

## Investment Objective

To provide a high level of monthly cash flow and relatively tax efficient distributions consisting primarily of returns of capital, capital gains and interest income and to provide the potential for modest capital growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF591
Adv	Deferred Sales	CAD	RBF856
Adv	Front End	CAD	RBF762
Adv	Low Load	CAD	RBF111
F	No Load	CAD	RBF646

Inception Date	August 2006
Total Assets \$Mil	37.4
Series A NAV \$	18.46
Series A MER %	2.04
Benchmark	100% S&P/TSX Composite

Income Distribution	Monthly
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25
RRSP Eligibility	Yes

Management Company	RBC Asset Management Inc.
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Web Site	www.rbcam.com
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## Notes

### Distribution Summary

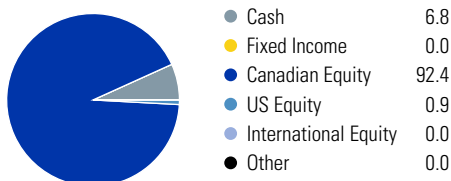
Monthly Distribution	6.25¢/unit
Current Payout Rate*	4.06%

\*Assuming 12 consecutive months at the monthly distribution set out above. The estimate does not include any year-end capital gains distributions paid in addition to the regular monthly distribution nor should it be confused with performance or rates of return.

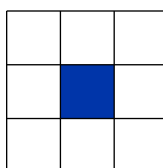
Fund's investment objective and name changed July 2, 2009.

## Portfolio Analysis as of September 30, 2009

### Asset Mix



### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.5
P/E Ratio	13.7
Avg Mkt Cap \$Bil	2.0

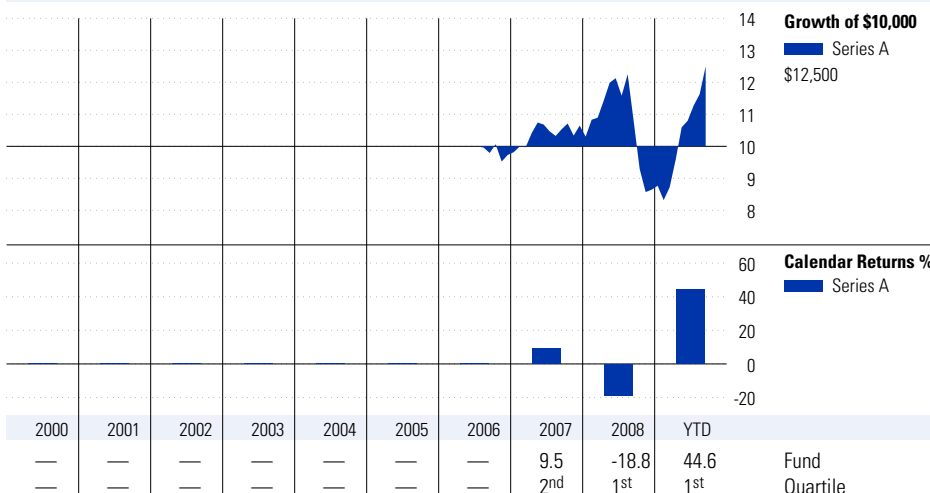
### Global Equity Sectors

Sector	% Equity
Utilities	2.0
Energy	36.4
Financials	24.5
Materials	4.2
Consumer Discretionary	12.2
Consumer Staples	1.4
Telecommunication Services	2.7
Industrials	14.1
Health Care	1.2
Information Technology	1.3
Unclassified	0.0

### Top 25 Holdings

Company	% Assets
Cash & Cash Equivalent	6.8
Canadian Oil Sands Trust	6.0
ARC Energy Trust	4.4
Yellow Pages Income Fund	3.8
Cineplex Galaxy Income Fund	3.4
InnVest Real Estate Investment Trust	3.1
Bonavista Energy Trust	2.9
Davis + Henderson Income Fund	2.8
Rogers Communications, Inc. B	2.6
Enbridge, Inc.	2.5
Shaw Communications, Inc. B	2.4
Russel Metals, Inc.	2.3
Baytex Energy Trust	2.3
Suncor Energy, Inc.	2.1
First Capital Realty Inc.	2.1
Morneau Sobeco Income Fund	2.0
NAL Oil & Gas Trust	2.0
CI Financial Corp	2.0
Canadian Apartment Ppty Real Estate Inv	1.9
National Bank of Canada	1.9
Chartwell Seniors Housing REIT	1.9
Daylight Resources Trust	1.9
Keyera Facilities Income Fund	1.9
Allied Ppty Real Est Investment Tr Unit	1.8
Crescent Point Energy Corporation	1.8
<b>Total % of Top 25 Holdings</b>	<b>68.5</b>
<b>Total Number of Stock Holdings</b>	<b>54</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>56</b>

## Performance Analysis as of September 30, 2009



Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Value	7.5	15.7	43.3	15.9	8.5	—	—	7.5	Fund
Quartile	1st	1st	1st	1st	1st	—	—	—	Quartile



# RBC Canadian Equity Income Fund

## Management Overview

### Manager Bios

#### Jennifer McClelland, CFA

#### RBC Asset Management Inc.

Jennifer McClelland is Vice President and Senior Portfolio Manager, Canadian Equities. She has been in the Investment Industry since 1995.

### Performance Analysis Cont'd as of September 30, 2009

Distributions (\$)/Unit	YTD	2008	2007	2006	2005	2004	2003	2002	2001	2000
Total Distributions	0.56	0.96	0.96	0.32	—	—	—	—	—	—
Interest	0.56	0.87	0.67	0.30	—	—	—	—	—	—
Dividends	—	0.09	0.08	0.02	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	0.21	—	—	—	—	—	—	—

Best/Worst Periods %		1Yr		3Yr		5Yr		10Yr
Best	8-2008	18.7	9-2009	8.5	—	—	—	—
Worst	2-2009	-23.2	8-2009	5.3	—	—	—	—
Average		-0.5		6.9				
No. of Periods		26		2				
Pct. Positive		57.7		100.0				

### Quarterly Commentary as at September 30, 2009

In the third quarter, the RBC Canadian Equity Income Fund (Series A) delivered a 15.7% return, well ahead of its new benchmark return of 10.6%.

Given its recent mandate change, the RBC Canadian Equity Income Fund (formerly RBC Diversified Income Trust Fund) has been renamed and its blended benchmark modified.

The small- and mid-cap names in the S&P/TSX Composite Index dominated returns in the quarter in a period where the appetite for risk in the market intensified with growing evidence that the economy may have potentially bottomed. The Fund was well positioned for this environment given its healthy Energy weighting, as well as

exposure to a number of holdings in the smaller capitalization industrial and consumer space in names we viewed as overlooked or undervalued.

The real estate sector (where the Fund has maintained a healthy weighting given its strong income characteristics), also experienced a strong comeback as worries over access to capital dissipated. Looking forward, we have increased our focus on more traditional core income positions such as pipelines, utilities and Consumer Staples, as these names have been overlooked in the recent rally and we believe their consistent, sustainable returns may be more appreciated if enthusiasm in the equity markets starts to fade.

### Major Buys

Shoppers Drug Mart  
Davis and Henderson Income Fund  
Intact Financial  
Russell Metals  
Rogers Communications

### Major Sells

Daylight Energy Trust  
Pembina Pipeline Income Fund  
RioCan REIT  
Wajax Income Fund  
Mullen Group



# RBC Canadian Equity Income Fund

## Disclosure

RBC Funds are offered by RBC 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.

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 September 30, 2009.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of September 30, 2009. 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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