



RBC European Equity Fund

Fund Category
European Equity

Morningstar Rating™
★★

Investment Objective

To provide long-term capital growth by investing in equity securities of European companies in order to provide exposure to growth opportunities in the European economy and diversification benefits beyond North America.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF457
Adv	Deferred Sales	CAD	RBF848
Adv	Front End	CAD	RBF748
Adv	Low Load	CAD	RBF174
F	No Load	CAD	RBF622

Inception Date	July 1987
Total Assets \$Mil	1,523.9
Series A NAV \$	14.92
Series A MER %	2.15
Benchmark	MSCI Europe (\$C)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

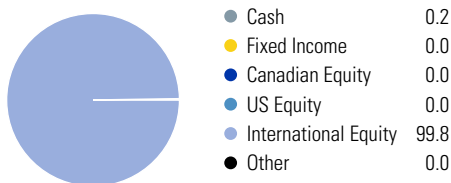
Management Company	RBC Asset Management Inc.
Web Site	www.rbcam.com

Notes

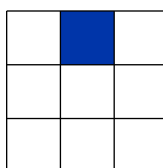
Fund's portfolio advisor changed July 1, 2002.

Portfolio Analysis as of September 30, 2009

Asset Mix



Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	1.6
P/E Ratio	13.1
Avg Mkt Cap \$Bil	30.0

Top 5 Sectors

Sector	% Equity
Financials	25.5
Consumer Discretionary	11.8
Industrials	11.4
Energy	10.7
Health Care	8.8

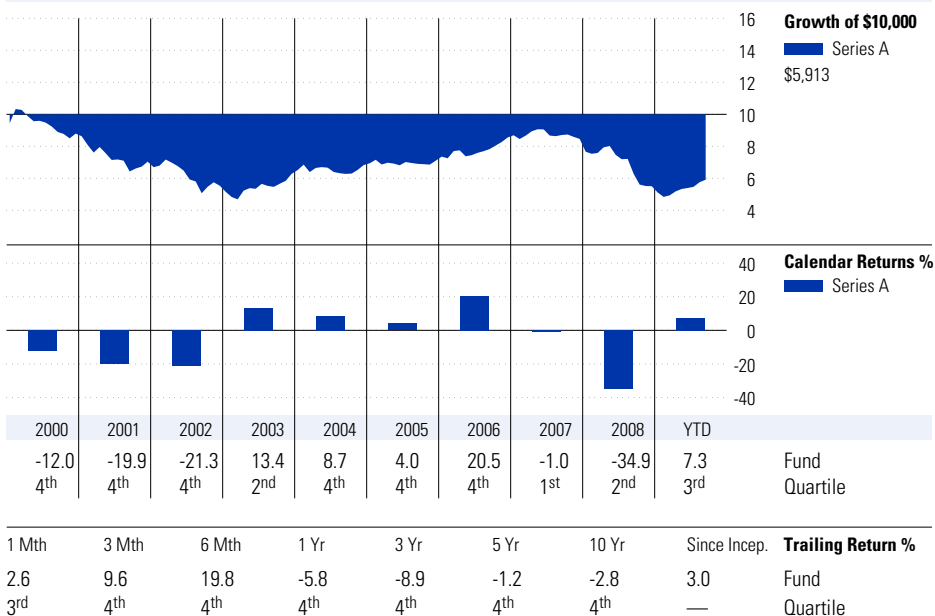
Top Geographic Allocations

Geography	% Assets
United Kingdom	34.6
France	13.2
Switzerland	10.8
Germany	8.9
Spain	8.6

Top 25 Holdings

Company	% Assets
Sanofi-Aventis	3.2
Rio Tinto PLC	3.1
Royal Dutch Shell PLC	3.0
Vodafone Group PLC	2.9
AstraZeneca PLC	2.8
Bayerische Motoren Werke AG	2.7
Heineken N.V.	2.6
ArcelorMittal	2.6
Prudential PLC	2.5
UBS AG	2.5
Experian PLC	2.4
Banco Santander SA	2.2
BP PLC	2.2
BG Group PLC	2.2
Deutsche Bank AG	2.2
HSBC Holdings PLC	2.1
Publicis Groupe	1.9
SAP Corporation	1.9
EADS N.V.	1.9
Assa Abloy	1.9
Banco Popular Espanol	1.8
BT Group PLC	1.7
ING Groep N.V.	1.7
Gestevisión Telecinco,S.A.	1.7
Ahold Kon	1.6
Total % of Top 25 Holdings	57.4
Total Number of Stock Holdings	66
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
Total Number of Holdings	68

Performance Analysis as of September 30, 2009





RBC European Equity Fund

Management Overview

Manager Bios

Vittorio Fegitz, M.S.

RBC Asset Management Inc.

Vittorio Fegitz is Senior Portfolio Manager, RBC Asset Management UK Limited. He has been in the Investment Industry since 1983.

Dominic Wallington, M.A.

RBC Asset Management Inc.

Dominic Wallington is Chief Investment Officer, RBC Asset Management UK Limited

David Lambert

RBC Asset Management Inc.

David Lambert is Portfolio Manager, RBC Asset Management UK Limited

Performance Analysis Cont'd as of September 30, 2009

Distributions (\$)/Unit	YTD	2008	2007	2006	2005	2004	2003	2002	2001	2000
Total Distributions	—	0.34	0.15	0.13	0.08	0.01	0.01	0.07	0.43	2.05
Interest	—	0.34	0.15	0.13	0.08	0.01	0.01	0.07	0.43	—
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	2.05
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %		1Yr		3Yr		5Yr		10Yr
Best	5-1998	47.2	2-2000	28.7	7-1998	23.6	3-2000	16.0
Worst	10-2008	-35.8	3-2003	-23.0	3-2005	-7.7	3-2009	-4.8
Average		5.2		7.5		8.1		8.3
No. of Periods		255		231		207		147
Pct. Positive		67.1		64.5		71.5		89.1

Quarterly Commentary as at September 30, 2009

In the third quarter, the RBC European Equity Fund (Series A) posted a return of 9.6%, versus 13.7% for the MSCI Europe Total Return Index, in Canadian dollars. The relative underperformance was a result of low quality, high-risk stocks continuing to run and the market leadership remaining very narrow.

European markets had their best quarter since late 1999, fuelled by government liquidity, improving macro backdrop and increasing positive sentiment for the near term. Earnings results were generally better than expected as survey data improved and analysts' earnings revisions managed crept into positive territory by the end of the period.

The best performers in Europe were Financials, engineering and construction and chemical companies, while laggards included Energy and food and drug retailers, highlighting a clear cyclical bias to the market performance.

Some individual holdings among Financials were the biggest positive contributors to performance including; Lloyds Banking Group, Prudential and Credit Agricole. Not holding Nokia and Nestle in the Fund was also positive for performance. Detractors were some of the more defensive names, such as AstraZeneca, Delhaize, Syngenta and Compass.

We continued to sell down some of the underperforming defensive names for risk and value over the course of the quarter. Delhaize, Compass, G4S and BAE Systems were sold, while positions in ING, Renault, British Land, Deutsche Bank and UBS we purchased.

G7 policy makers remained committed to accommodative policies and we anticipate the market will continue to grind higher until we see policy change. This would imply a continuation of risk and value outperforming, although we would also expect the market to broaden out somewhat.

Major Buys

Deutsche Bank AG
ING Groep N.V.
UBS AG
British Land Company Plc.
Renault S.A.

Major Sells

Compass Group Plc.
G4S Plc.
Delhaize-Le Lion
BAE Systems Plc.
Lloyds Banking Group



RBC European Equity 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.

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.

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