



RBC Bond Fund

Fund Category

Canadian Fixed Income

Morningstar Rating™

★★★

Investment Objective

To provide above average, long-term total returns consisting of interest income and moderate capital growth by investing primarily in high-quality fixed-income securities issued by Canadian governments and corporations.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF270
Adv	Deferred Sales	CAD	RBF850
Adv	Front End	CAD	RBF750
Adv	Low Load	CAD	RBF114
F	No Load	CAD	RBF601
I	No Load	CAD	RBF154

Inception Date	July 1966
Total Assets \$Mil	4,754.1
Series A NAV \$	6.11
Series A MER %	1.16
Benchmark	30% DEX Corp Bond 25% DEX LT Gov Bond 25% DEX MT Gov Bond 20% Citigroup Gov Bond*

Income Distribution	Quarterly
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

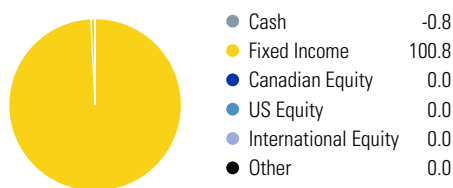
Notes

Minimum investment for Series I units of the Fund is \$500,000. Minimum additional investment is \$5,000.

* Hedged back to \$C.

Portfolio Analysis as of January 31, 2010

Asset Mix



Fixed Income Breakdown

Category	% Fixed Income
Government Bonds	43.1
Corporate Bonds	56.4
Other Bonds	0.8
Mortgage Backed Securities	0.5
ST Investments (Cash & Other)	-0.8
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
AAA	25.4	1 - 5 Yrs	37.6
AA	39.5	5 - 10 Yrs	29.8
A	11.8	Over 10 Yrs	32.6
BBB	12.6		
BB	7.7	Avg. Term to maturity (Yrs)	9.8
B	2.1	Duration (Yrs)	6.6
Below B	0.1	Yield to Maturity	4.2
NR/NA	0.7		

Top Geographic Allocations

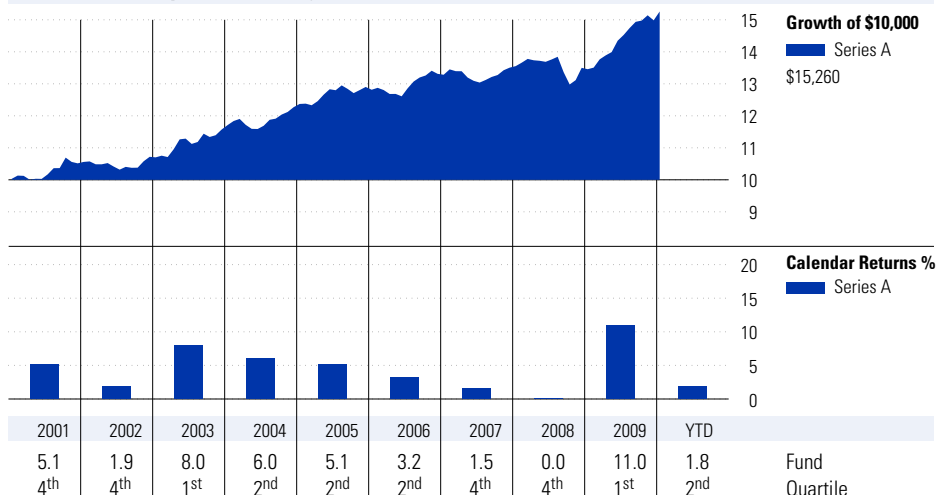
Geographic Region	% Assets
Canada	84.3
United States	8.4
Brazil	1.0
Philippines	0.6
Turkey	0.6

Top Ten Holdings

Security	% Assets
Canada Govt 3.75% 01-06-2019	2.8
Bank of Nova Scotia 5.04% 08-04-2013	2.4
Canada Govt 3.5% 01-06-2020	2.3
Ontario Prov Cda 4.7% 02-06-2037	2.2
Quebec Prov Med Trm Nt 4.5% 01-12-2019	2.0
Canada Govt FRN 01-06-2041	1.9
Ontario Prov Cda 3.25% 08-09-2014	1.9
Canada Hsg Tr No 1 4.1% 15-12-2018	1.7
Royal Bank Of Canada 5.06% 17-07-2013	1.6
CIBC 3.3% 19-11-2014	1.5

Total % of Top 10 Holdings	20.2
Total Number of Stock Holdings	0
Total Number of Bond Holdings	422
Total Number of Other Holdings	8
Total Number of Holdings	430

Performance Analysis as of January 31, 2010



Period	Trailing Return %	Fund Quartile
1 Mth	1.8 2nd	
3 Mth	1.9 2nd	
6 Mth	5.0 1st	
1 Yr	13.4 1st	
3 Yr	4.7 2nd	
5 Yr	4.3 2nd	
10 Yr	5.3 3rd	
Since Incep.	8.2	



RBC Bond Fund

Management Overview

Manager Bios

Dagmara Fijalkowski

RBC Asset Management Inc.

Dagmara Fijalkowski is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies.

Suzanne Gaynor

RBC Asset Management Inc.

Suzanne Gaynor is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the Investment Industry since 1988.

Performance Analysis Cont'd as of January 31, 2010

Distributions (\$)/Unit	YTD	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	—	0.26	0.26	0.26	0.24	0.24	0.28	0.24	0.08	0.28
Interest	—	0.26	0.26	0.24	0.24	0.24	0.26	0.24	0.05	0.28
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	0.03	—	—	0.01	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	0.03	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	3-1986	24.4	10-1993	16.0	1-1994	12.9	9-1997	10.9
Worst	1-1995	-8.8	10-2008	0.7	2-2009	2.7	10-2008	3.2
Average		7.5		7.3		7.5		7.5
No. of Periods		289		265		241		181
Pct. Positive		90.7		100.0		100.0		100.0

Quarterly Commentary as at December 31, 2009

The RBC Bond Fund (Series A) returned 0.3% in the fourth quarter, compared to -0.2% for the DEX Universe Bond Total Return Index and -0.4% for its benchmark.

Our bias to continue overweighting corporate and emerging-market debt contributed to the Fund's outperformance. Economic data releases continued to indicate a rising momentum in global economic recovery and benefited non-government debt significantly, while performance of government bonds lagged, weighed down by higher inflation expectations.

In addition to the improving economic outlook, the insatiable demand for incremental yields and strong inflows into credit bonds further boosted the performance of non-government bonds, particularly the lower-rated issuers. We are cognizant of the risk that certain credit valuations had reached their pre-crisis levels, nevertheless, we continue to expect credit bonds to offer higher return potential over their government

counterparts in the near term, but erring toward the cautious side with a portfolio insurance strategy.

As the currency market priced in a perfect recovery in the Canadian dollar, we carry less than fully hedged positions of the U.S. dollar.

The next test for central banks will come in the decision to start withdrawing the stimulus that has been pumped into the economy. The fear is that removing stimulus too early could push the economy back into recession, while removing it too late could trigger inflation.

While the Bank of Canada appears adamant about keeping rates low, any improvement in domestic economy or an increase in inflation expectations will lead investors to anticipate an earlier need to hike rates and should weigh on Canadian bonds. Corporate bonds should continue to perform well against a backdrop of economic recovery and improved balance sheets.

RBC Bond Fund

Disclosure

RBC Funds are offered by RBC Asset Management Inc. and distributed through authorized dealers. RBC Asset Management Inc. is a member company of RBC Global Asset Management.

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 January 31, 2010.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of January 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.

® Registered trademark of Royal Bank of Canada. RBC Global Asset Management is a trademark of Royal Bank of Canada. Used under licence. © RBC Asset Management Inc. 2010.