



RBC Select Choices Conservative Portfolio



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 Canadian Equities
 RBC Asset Management Inc.
 Industry Experience:
 Since 1995

Fund Inception Date June 2000
Net Assets \$132.6MM
NAV – Series A \$9.97
2008 MER – Series A* 1.85%
Distribution Policy
 Income: Quarterly
 Capital Gains: Annually (Dec.)
Benchmark
 60% DEX Universe Bond Index
 16% S&P/TSX Composite Capped Total Return Index
 16% S&P 500 Total Return Index (CDN\$)
 8% MSCI EAFE Total Return Index (CDN\$)
 * Based on actual expenses for half-year period
 January 1 to June 30, 2008, expressed on an annualized basis.

Investment Objectives
 To provide long-term capital growth and modest income by investing its assets in other mutual funds.

Fund Code
 Series A – RBF 566
 Advisor Series Front End – RBF 743
 Advisor Series DSC – RBF 843
 Advisor Series Low Load – RBF 103

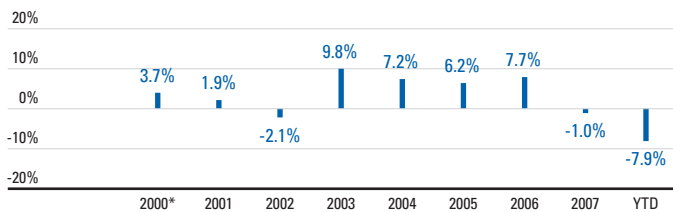
Minimum Investment	Registered	Non-Registered
Initial Investment	\$5,000	\$5,000
Additional Investment	\$25	\$25
Pre-Authorized Contribution	\$25	\$25

Trailing Performance – Series A

	1 mo.	3 mo.	6 mo.	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception
Fund (%)	-5.8	-5.5	-6.6	-8.4	-0.2	3.2	–	2.9
Quartile Ranking*	4	4	4	4	4	2		

* Source : Morningstar Canada

Calendar Performance – Series A



* Return for the period June 5, 2000 to December 31, 2000.

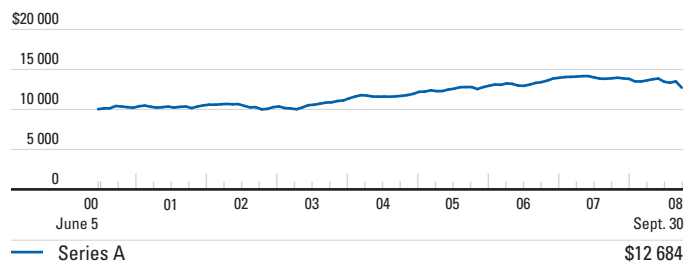
Quartile Ranking†

Year	Ranking
2000*	3
2001	4
2002	1
2003	1
2004	2
2005	1
2006	4
2007	4

† Source: Morningstar Canada

Performance History

(Growth of \$10,000 over 10 years or since inception)



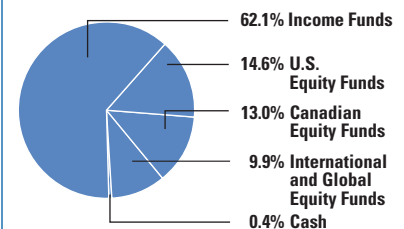
Summary of Investment Portfolio

Top 25 Holdings*	Market Value (\$000)	% of Net Assets
RBC Bond Fund	22 046	16.6
TD Short Term Bond Fund	18 389	13.9
Trimark Canadian Bond Fund	16 776	12.6
TD Canadian Bond Fund	15 573	11.7
RBC Canadian Money Market Fund	9 612	7.3
RBC Canadian Equity Fund	7 971	6.0
RBC O'Shaughnessy U.S. Value Fund	7 720	5.8
RBC O'Shaughnessy International Equity Fund	6 563	5.0
Trimark International Companies Fund	6 524	4.9
Harbour Fund	5 994	4.5
RBC U.S. Equity Fund	5 968	4.5
CI Value Trust Corporate Class	5 638	4.3
Fidelity Canadian Disciplined Equity Series	3 378	2.5
Cash & Cash Equivalents	475	0.4
Total	132 627	100.0

* The Portfolio holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund.

Portfolio Composition Asset Mix



Note These pages are not complete without the disclaimer on page 176. Fund-specific information is on page 176.



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Commentary

- ▶ Over the past three months, the RBC Select Choices Conservative Portfolio declined 5.5%.
- ▶ A global economic slowdown triggered by the credit crunch, pushed stocks in most regions around the world into bear-market territory, while yields on government bonds plunged. Along the way, Lehman Brothers filed for bankruptcy protection and both Merrill Lynch and AIG lost their independence. Only now, with a passage of a U.S. government plan to cleanse balance sheets of toxic mortgage-linked securities, will credit markets begin to unclog.
- ▶ The flare-up over the health of the financial system and economic growth resulted in a massive risk aversion, which caused bond yields to plunge in a near straight-line fashion during the quarter. Investors fled anything that seemed the least bit risky and rushed toward the relative safety of Treasury bonds, resulting in strong performance for fixed-income funds. The top-performing fund was the TD Short-Term Income Fund, with a gain of 0.7%. During the quarter, both the TD Canadian Bond Fund and the RBC Bond Fund fell, by 1.2% and 2.4%, respectively.
- ▶ A concern over the possibility of a looming recession resulted in a massive sell-off in commodity stocks. Previous sector leaders such as Energy, Materials and Industrials have declined significantly, sending the resource-laden S&P/TSX Composite Index lower by 18.2%, since the beginning of the quarter. The Fidelity Canadian Disciplined Equity Fund fell 20.5%, while the Harbour Fund relatively outperformed, finishing 11.2% lower.
- ▶ The U.S. economy has been one of the hardest hit by the financial crisis. Nevertheless, U.S. equity markets have outperformed most global stock markets during the quarter. The overweight position in the Portfolio added value as the S&P 500 Index relatively outperformed, falling 4.5%, in Canadian dollar terms. The RBC O'Shaughnessy U.S. Value Fund was the top-performing U.S. fund, down 5.5%, while the RBC U.S. Equity Fund lagged, falling 11.0% during the period.
- ▶ International markets also trended lower as the outlook for the global economy deteriorated. Both the RBC O'Shaughnessy International Equity Fund, down 14.9%, and the Trimark International Companies Fund, down 12.3%, outperformed the benchmark MSCI EAFE Total Return Index, which declined 16.8%, in Canadian dollar terms.



Distributions – Series A

	YTD	2007	2006	2005	2004	2003
MER (%)	1.85*	2.03	2.10	2.10	2.17	2.16
Total Distributions (\$)	0.0631**	1.12	0.15	0.18	0.20	0.20
Interest	–	0.20	0.15	0.17	0.19	0.17
Dividends	–	0.00	0.00	0.01	0.01	0.03
Capital Gains	–	0.92	0.00	0.00	0.00	0.00
Return of Capital	–	0.00	0.00	0.00	0.00	0.00

* Based on actual expenses for half-year period January 1 to June 30, 2008, expressed on an annualized basis.
 ** Distributions are characterized into income type at year-end.

Downside Risk

Rolling Returns*	1 yr.	Ended	3 yr.	Ended	5 yr.	Ended	10 yr.	Ended
Best	17.12%	Mar-04	9.77%	Mar-06	6.78%	Sep-07	–	–
Worst	-8.42%	Sep-08	-0.20%	Sep-08	3.17%	Sep-08	–	–
Average	3.97%		5.20%		5.32%		–	
Total periods	88		64		40		–	
Percentage of positive periods	73.9%		98.4%		100%		–	

* Ended September 30, 2008.

DISCLAIMER

Please consult your financial advisor and read the prospectus before investing. There may be commissions, trailing commissions, management fees and expenses associated with mutual fund investments. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns for the period ended September 30, 2008. The rates of return for periods of less than one year are simple rates of return. All rates of return and performance data include changes in unit value and assume reinvestment of all distributions, and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholders that would have reduced returns. Mutual funds are not guaranteed or covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. For money market funds, there can be no assurances that a fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in a fund will be returned to you. For money market funds, the current yield is an annualized historical yield based on the seven-day period ended on September 30, 2008, and does not represent an actual one year return. RBC Funds are offered by RBC Asset Management Inc. and distributed through authorized dealers.

RBC Canadian Short-Term Income Fund's investment objective changed June 28, 2002.

RBC U.S. Mid-Cap Equity Fund's and RBC Global Balanced Fund's portfolio advisor and investment objectives changed June 29, 2001. RBC Balanced Growth Fund is the continuing fund resulting from a merger with RBC Global Balanced Fund on July 4, 2006. RBC Balanced Growth Fund's investment objective changed July 4, 2006.

RBC Canadian Index Fund, RBC North American Growth Fund, RBC U.S. Index Fund, RBC Asian Equity Fund and RBC Global Technology Fund are continuing funds resulting from mergers effective June 28, 2002. RBC North American Growth Fund's investment objective changed July 4, 2006. The inception date for the RBC Asian Equity Fund is August 1993. The Fund's investment objectives changed June 28, 2002. The "Since Inception" rate of return for this Fund includes data from June 28, 2002 only.

The inception date for the RBC Global Technology Fund is June 2000. The Fund's investment objective changed June 28, 2002 and July 4, 2006. The "Since Inception" rate of return for this Fund includes data from June 28, 2002 only.

The inception date for the RBC U.S. Equity Fund is July 1966; however the "Since Inception" rate of return for this Fund includes data from October 1972 only.

RBC European Equity Fund's portfolio advisor changed July 1, 2002.

RBC Premium \$U.S. Money Market Fund was launched November 1, 2007. RBC O'Shaughnessy U.S. Growth Fund II was launched January 14, 2008. Securities regulations do not allow us to report performance for any series of an investment that has been available for less than one year.

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, 2008. For more information, please see www.morningstar.ca.

The information contained in the Investment Outlook, Asset Class Commentary and Fund Commentaries is compiled from sources believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy. All opinions contained in the Investment Outlook, Asset Class Commentary are current to September 30, 2008 and in the Fund Commentaries are current to September 30, 2008, and are subject to change without notice and are provided in good faith without legal responsibility.

As of December 9, 2005, units of the RBC Monthly Income Fund are no longer available for purchase in registered plans, except through a pre-authorized investment plan established prior to December 9, 2005. Purchases in non-registered plans continue unaffected.

Effective June 30, 2006, RBC O'Shaughnessy U.S. Growth Fund is closed to new purchases, except through a pre-authorized investment plan established with RBC Asset Management and through automatic reinvestment of distributions.

Effective January 19, 2007, RBC O'Shaughnessy Canadian Equity Fund is closed to new purchases, except through a pre-authorized investment plan established with RBC Asset Management and through automatic reinvestment of distributions.

RBC Target 2015 Education Fund is the continuing fund resulting from a merger with RBC Global Education Fund on July 4, 2006.

The investment objectives of the RBC North American Dividend Fund, RBC North American Value Fund, RBC Global Energy Fund, RBC Global Precious Metals Fund, RBC Global Resources Fund and the RBC Global Consumer and Financials Fund changed July 4, 2006.

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