



RBC ADVISOR CANADIAN BOND FUND

QUARTERLY PORTFOLIO DISCLOSURE

Suzanne Gaynor

Vice-President and Senior Portfolio Manager, Global Fixed Income and Currencies, RBC Asset Management Inc. Industry Experience: Since 1988



Inception Date	November 1999
Net Assets	\$162.4M
NAV – Advisor Series	\$10.89
2006 Actual MER – Advisor Series	0.88%
2007 Actual MER – Advisor Series*	0.91%

Distribution Policy

Income: Quarterly
Capital Gains: Annually (Dec.)

Benchmark

100% DEX Universe Bond Index

Average Yield to Maturity	4.77%
Modified Duration	6.39 years

Fund Code

Advisor Series ISC – RBF 700
Series F – RBF 900

Minimum Purchases

Initial Investment and Balance	\$10,000
Additional Investment	\$25

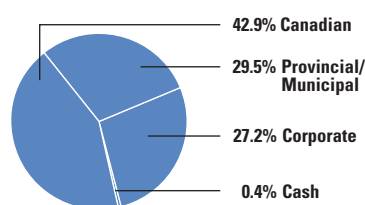
* Effective July 1, 2007, a fixed administration fee was introduced in respect of all series of the funds.

Commentary

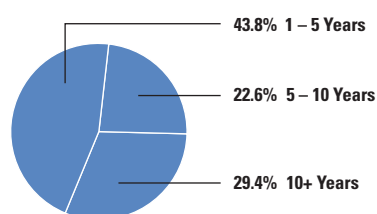
- The RBC Advisor Canadian Bond Fund returned 3.0% compared to the DEX Universe Bond Index return of 2.9%. The Federal Bond Index outperformed both Provincial and Corporate Bond indices, returning 4.1% versus 2.5% and 2.1%, respectively.
- The deterioration of U.S. economic conditions was the main concern this quarter, particularly the bailout of investment bank, Bear Stearns. Globally, central banks were forced to adopt measures to address liquidity concerns and these seem to be working. Credit markets continue to reflect risk aversion and there has been a notable yield spread widening even in the high quality bonds. The Bank of Canada cut policy rates by 0.75% this quarter, citing fears of spillover effects from the sagging U.S. economy, but yield spreads continued to widen as concerns about a large amount of new issue supply from Canadian banks overwhelmed the positive contributions from the Central Bank actions.
- The Fund's outperformance of the benchmark can primarily be attributed to last year's decision to underweight corporate bonds. We have started adding to our credit exposure (Bank of Nova Scotia, TD Bank, GE Capital) as financial services spreads are particularly attractive. The Fund held an overweight position in Provincial bonds which underperformed the overall bond market, but the Fund's holdings were of a shorter term to maturity than the benchmark, and relative underperformance was minimal.
- Bank of Canada governor, Mark Carney, noted recently that the end of the turmoil in the credit market is "not yet in sight" and we also expect challenging credit markets to persist. The combination of weakening economic growth, softer Canadian inflation and continued dislocations in the credit market lead us to believe that the Bank of Canada will keep its easing bias through the next quarter. We will remain cautious and continue to add to our corporate holdings as we believe that risk aversion trades will be unwound as investors will begin to appreciate the much higher yields that corporate bonds will provide.

Portfolio Composition

Asset Mix



Maturity Profile



Summary of Investment Portfolio

Top 25 Holdings	Market Value (\$000)	% of Net Assets	Top 25 Holdings	Market Value (\$000)	% of Net Assets
Gov. of Canada 5.000% Jun 01 37	8 321	5.1	Prov. of Quebec 5.500% Jun 01 09	2 438	1.5
Gov. of Canada 5.750% Jun 01 33	7 933	4.9	Gov. of Canada 8.000% Jun 01 23	2 329	1.4
Gov. of Canada 5.250% Jun 01 12	6 904	4.3	Prov. of Quebec 4.500% Dec 01 16	2 261	1.4
Canada Housing Trust No. 1 4.050% Mar 15 11	5 673	3.5	Prov. of Ontario 5.500% Jun 02 18	2 217	1.4
Gov. of Canada 3.750% Sep 01 11	5 147	3.2	Prov. of Quebec 5.250% Oct 01 13	2 194	1.3
Gov. of Canada 5.750% Jun 01 29	4 970	3.1	Gov. of Canada 4.000% Jun 01 16	2 152	1.3
Canada Housing Trust No. 1 3.550% Sep 15 10	4 646	2.9	Prov. of Quebec 6.000% Oct 01 29	2 028	1.2
Canada Housing Trust 4.000% Jun 15 12	4 547	2.8	Gov. of Canada 8.000% Jun 01 27	1 897	1.2
Gov. of Canada 4.000% Jun 01 17	3 996	2.5	Canada Housing Trust 4.550% Dec 15 12	1 881	1.2
Canada Housing Trust No. 1 4.650% Sep 15 09	3 176	1.9	Bank of Montreal 4.780% Apr 30 14	1 635	1.0
Prov. of Ontario 4.700% Jun 02 37	3 064	1.9	Canada Housing Trust No. 1 3.950% Dec 15 11	1 632	1.0
Prov. of Ontario 4.500% Mar 08 15	2 744	1.7	Prov. of Ontario 6.100% Nov 19 10	1 496	0.9
Prov. of Ontario 5.375% Dec 02 12	2 703	1.7	Total	87 984	54.1

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

Trailing Performance – Advisor Series (%)

	1 mo.	3 mo.	6 mo.	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception
Fund (%)	1.1	3.0	5.6	5.5	4.6	5.5	–	5.9
Quartile Ranking*	1	1	1	1	1	1	–	–

* Source: Morningstar Canada

Note

This page is not complete without the disclaimer on page 133.

Fund-specific information is on page 133.



RBC Asset Management

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 March 31, 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 March 31, 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 July 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 July 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 Jantzi Balanced Fund, RBC Jantzi Canadian Equity Fund, RBC Jantzi Global Equity Fund and RBC Target 2025 Education Fund were launched on July 3, 2007. 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 (except for the RBC Advisor Canadian Bond Fund and the RBC North American Dividend Fund, which are Advisor Series) as of March 31, 2008.

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

The information contained in the Investment Outlook 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 March 21, 2008 and in the Fund Commentaries are current to March 31, 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 will be 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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