



# RBC Canadian Short-Term Income Fund



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 Industry Experience: Since 1985

**Fund Inception Date** January 1992  
**Net Assets** \$1,952.4MM  
**NAV – Series A** \$10.65  
**2008 MER – Series A\*** 1.23%  
**Distribution Policy**  
 Income: Monthly  
 Capital Gains: Annually (Dec.)  
**Benchmark**  
 100% DEX Short Term Bond Index  
 \* Based on actual expenses for half-year period January 1 to June 30, 2008, expressed on an annualized basis.

**Investment Objectives**  
 To provide a competitive level of monthly income by investing primarily in short-term, high-quality fixed-income securities issued or guaranteed by Canadian federal, provincial or municipal governments and corporations. The fund may also invest in high-quality first mortgages on Canadian residential property.

**Fund Code**  
 Series A – RBF 264  
 Advisor Series ISC – RBF 751  
 Advisor Series DSC – RBF 851  
 Advisor Series Low Load – RBF 113  
 Series F – RBF 947

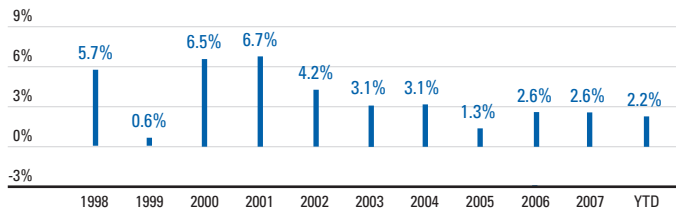
	Registered	Non-Registered
<b>Minimum Investment</b>		
Initial Investment	\$500	\$500
Additional Investment	\$25	\$25
Pre-Authorized Contribution	\$25	\$25

### Trailing Performance – Series A (%)

	1 mo.	3 mo.	6 mo.	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception
<b>Fund (%)</b>	-0.2	-0.6	2.2	4.8	2.3	2.6	3.6	5.1
<b>Quartile Ranking*</b>	2	3	2	2	3	3	3	

\* Source : Morningstar Canada

### Calendar Performance – Series A



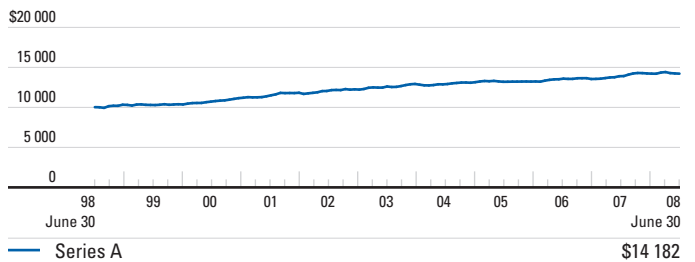
**Quartile Ranking†**

2	4	3	3	2	3	3	4	3	3	2
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† Source: Morningstar Canada

### Performance History

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

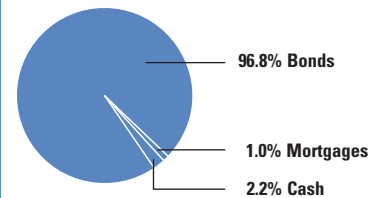


### Summary of Investment Portfolio

Top 25 Holdings	Market Value (\$000)	% of Net Assets	Top 25 Holdings	Market Value (\$000)	% of Net Assets
Canada Housing Trust No. 1 4.550% Dec 15 12	322 273	16.5	TD Capital Trust 7.600% Dec 29 49	37 228	1.9
Canada Housing Trust No. 1 3.550% Sep 15 10	90 400	4.6	BMO Capital Trust 6.903% Dec 29 49	34 890	1.8
Canada Housing Trust No. 1 3.600% Jun 15 13	75 571	3.9	Bank of Nova Scotia 5.040% Apr 08 13	28 277	1.4
Gov. of Canada 5.250% Jun 01 13	74 284	3.8	Royal Bank of Canada 5.200% Aug 15 12	28 018	1.4
Prov. of Ontario 4.400% Dec 02 11	71 327	3.7	Hydro One Inc. 7.150% Jun 03 10	26 395	1.4
Prov. of Ontario 5.375% Dec 02 12	55 965	2.9	Canada Capital Auto Receivables		
Canada Housing Trust No. 1 3.750% Mar 15 10	54 705	2.8	Asset Trust 4.579% Apr 17 10	26 230	1.3
Canada Housing Trust No. 1 4.000% Jun 15 12	53 657	2.7	Genesis Trust 4.245% Sep 15 11	24 570	1.3
Canada Housing Trust No. 1 3.950% Dec 15 11	49 002	2.5	Canadian Imperial Bank of Commerce 3.750% Sep 09 15	21 953	1.1
Gov. of Canada 3.750% Jun 01 12	47 038	2.4	Cards II Trust 4.379% Oct 15 09	19 947	1.0
Prov. of Quebec 6.250% Dec 01 10	44 242	2.3	Bank of Nova Scotia 4.990% Mar 17 18	19 886	1.0
Cash & Cash Equivalents	42 455	2.2	Bank of Nova Scotia 3.930% Feb 18 10	19 878	1.0
			GE Capital Canada Funding Co. 3.650% Jun 17 10	19 684	1.0
			Glacier Credit Card Trust 4.187% Nov 19 10	19 679	1.0
			<b>Total</b>	<b>1 307 554</b>	<b>66.9</b>

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 172. Fund-specific information is on page 172.



## RBC Canadian Short-Term Income Fund

**Commentary**

- › June 30, 2008 Fund Commentary to follow within a few business days.

**Distributions – Series A**

	YTD	2007	2006	2005	2004	2003
MER (%)	1.23*	1.40	1.45	1.47	1.50	1.52
Total Distributions (\$)	0.2058**	0.34	0.34	0.34	0.35	0.41
Interest	–	0.34	0.34	0.34	0.35	0.41
Dividends	–	0.00	0.00	0.00	0.00	0.00
Capital Gains	–	0.00	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	13.91%	Jan-94	8.84%	Jun-97	8.57%	Mar-97	6.46%	Jan-02
Worst	-0.73%	Jan-95	1.82%	Mar-07	2.45%	Jul-07	3.43%	Oct-07
Average	4.98%		4.84%		4.81%		4.76%	
Total periods	186		162		138		78	
Percentage of positive periods	99%		100%		100%		100%	

\* Ended June 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 June 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 June 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 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 as of June 30, 2008.

For more information, please see [www.morningstar.ca](http://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 June 30, 2008 and in the Fund Commentaries are current to June 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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