



RBC \$U.S. Income Fund



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Fund Inception Date May 2005
Net Assets \$60.0MM
NAV – Series A \$9.93
2008 MER – Series A* 1.69%
Distribution Policy
 Income: Monthly
 Capital Gains: Annually (Dec.)
RRSP Eligibility
 Not available for registered plans within RBC Royal Bank
Benchmark
 63% Lehman Brothers U.S. Aggregate Index
 30% Dow Jones U.S. Select Dividend Total Return Index
 3.5% Lehman Brothers High Yield Index
 3.5% Lehman Brothers Emerging Market Debt 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 combination of regular U.S. dollar monthly income and modest capital growth.

Fund Code
 Series A – RBF 587
 Advisor Series ISC – RBF 764
 Advisor Series Low Load – RBF 116
 Series F – RBF 640

Minimum Investment (in US\$)	Registered	Non-Registered
Initial Investment	n/a	\$500
Additional Investment	n/a	\$25
Pre-Authorized Contribution	n/a	\$25

Trailing Performance – Series A (%)

	1 mo.	3 mo.	6 mo.	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception
Fund (%)	-2.0	-2.2	-2.0	0.7	2.8	–	–	2.8

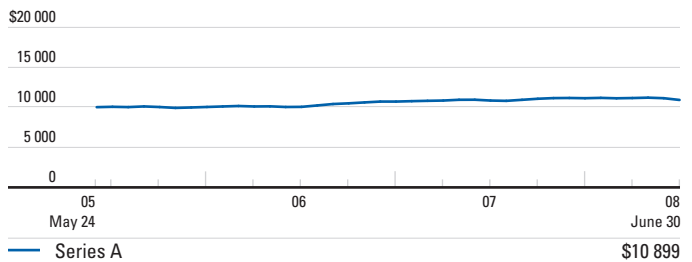
Calendar Performance – Series A



* Return for the period May 24, 2005 to December 31, 2005.

Performance History

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



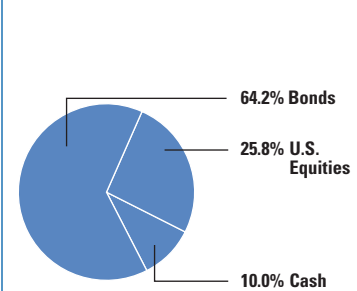
Summary of Investment Portfolio

Top 25 Holdings	Market Value (\$000)	% of Net Assets	Top 25 Holdings	Market Value (\$000)	% of Net Assets
Cash & Cash Equivalents	5 884	10.0	Ginnie Mae Pool	678	1.2
United States Treasury 6.500% Feb 15 10	2 166	3.7	Freddie Mac Gold Pool	628	1.1
United States Treasury 4.250% Nov 15 14	1 764	3.0	Fannie Mae Pool 6.000% Feb 01 36	625	1.1
Freddie Mac 5.250% Jul 18 11	1 361	2.3	Hydro Quebec USD 6.300% May 11 11	578	1.0
United States Treasury 5.125% Jun 30 11	1 169	2.0	Freddie Mac Gold Pool 6.000% Jun 01 36	557	0.9
United States Treasury 4.000% Feb 15 15	1 131	1.9	Fannie Mae Pool 5.500% May 01 21	550	0.9
Fannie Mae Pool 6.000% Jan 01 36	1 085	1.8	General Electric Company	533	0.9
Fannie Mae Pool 5.500% Oct 01 33	916	1.6	Freddie Mac Gold Pool 5.500% Nov 01 21	501	0.9
Federal Home Loan Bank System 4.625% Nov 21 08	906	1.5	Freddie Mac Gold Pool 5.000% Feb 01 21	494	0.8
Freddie Mac Gold Pool 6.000% May 01 37	906	1.5	United States Treasury 6.250% May 15 30	493	0.8
Freddie Mac Gold Pool 5.500% Apr 01 22	797	1.4	Ginnie Mae I Pool 5.500% Nov 15 34	488	0.8
Fannie Mae Pool	756	1.3	Comcast Corp. 5.700% May 15 18	474	0.8
Fannie Mae Pool 5.500% Jun 01 36	726	1.2	Total	26 166	44.4

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

Portfolio Composition

Asset Mix





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Commentary

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



Distributions – Series A

	YTD	2007	2006	2005 [†]	2004	2003
MER (%)	1.69*	1.78	1.85	1.85	–	–
Total Distributions (\$)	0.2100**	0.29	0.29	0.16	–	–
Interest	–	0.24	0.23	0.00	–	–
Dividends	–	0.05	0.06	0.14	–	–
Capital Gains	–	0.00	0.00	0.00	–	–
Return of Capital	–	0.00	0.00	0.01	–	–

[†] From May 24, 2005.

* 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.

Top Sector Mix (%)

	Mar. '08	June '08
Financials	6.2	4.4
Industrials	2.3	4.2
Health Care	1.6	3.2
Materials	1.8	2.6
Consumer Staples	2.1	2.5
Energy	1.1	2.3
Consumer Discretionary	0.6	2.1
Utilities	1.2	2.1
Information Technology	0.9	2.0
Telecommunication Services	0.7	1.0

Downside Risk

Rolling Returns*	1 yr.	Ended	3 yr.	Ended	5 yr.	Ended	10 yr.	Ended
Best	9.05%	May-07	–	–	–	–	–	–
Worst	-0.08%	Jun-06	–	–	–	–	–	–
Average	4.61%		–		–		–	
Total periods	26		–		–		–	
Percentage of positive periods	96%		–		–		–	

* 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.

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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