

RBC ADVISOR CANADIAN BOND FUND



RBC Asset Management®

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 Global Fixed Income and Currencies,
 RBC Asset Management Inc.
 Industry Experience: Since 1988



Portfolio Mandate

The fund's objective is to provide a modest enhancement of long-term total returns over that of the S&P/TSX Broad Canadian Bond Market Index before fees and expenses are deducted, while keeping the overall risk of underperformance to modest levels.

The fund invests primarily in bonds and debentures issued by Canadian governments and corporations and high quality supranational agencies such as the World Bank.

Inception Date November 1999

Net Assets \$152.2MM

NAV – Advisor Series \$10.99

2006 Actual MER – Advisor Series 0.88%

2007 Actual MER – Advisor Series* 0.91%

Distribution Policy

Income: Quarterly
 Capital Gains: Annually (Dec.)

Average Yield to Maturity 4.84%

Modified Duration 6.37 years

Fund Code

Advisor Series ISC – RBF 700
 Series F – RBF 900

Management Style

The fund seeks to replicate the overall characteristics of the market index with respect to interest rate and credit risk while harnessing the value that a specialized manager can achieve through superior security selection, quantitative yield curve strategies, and other low risk techniques.

Benchmark

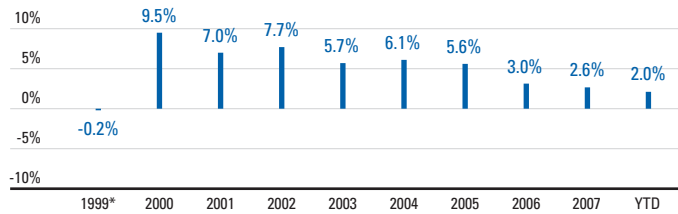
100% DEX Universe Bond Index

Minimum Purchases

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

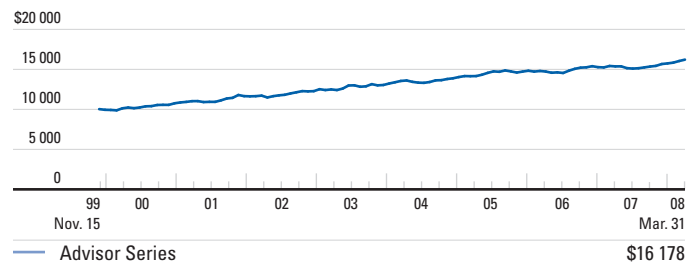
* Effective July 1, 2007, a fixed administration fee was introduced in respect of all series of the funds.

Calendar Performance – Advisor Series



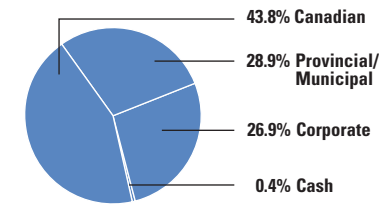
* Return for the period November 15, 1999 to December 31, 1999.

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

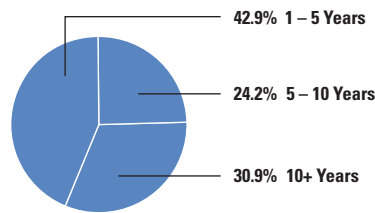


Portfolio Composition

Asset Mix



Maturity Profile



Top 15 Holdings

Category	Yield	Percentage
Top 5 Federal Bonds		%
Gov. of Canada 5.000% Jun 01 37	5.000%	5.3
Gov. of Canada 5.750% Jun 01 33	5.750%	4.7
Gov. of Canada 5.250% Jun 01 12	5.250%	4.1
Canada Housing Trust 4.050% Mar 15 11	4.050%	3.4
Gov. of Canada 3.750% Sep 01 11	3.750%	3.1
Top 5 Provincial Bonds		%
Prov. of Quebec 5.250% Oct 01 13	5.250%	2.7
Prov. of Ontario 4.700% Jun 02 37	4.700%	1.8
Prov. of Ontario 5.500% Jun 02 18	5.500%	1.8
Prov. of Ontario 5.375% Dec 02 12	5.375%	1.6
Prov. of Ontario 4.500% Mar 08 15	4.500%	1.6
Top 5 Corporate Bonds		%
Bank of Montreal 4.780% Apr 30 14	4.780%	1.0
Bank of Nova Scotia 5.000% Sep 13 10	5.000%	0.9
Toronto-Dominion Bank 5.382% Nov 01 17	5.382%	0.7
HSBC Bank Canada 5.310% Oct 12 10	5.310%	0.7
Bank of Nova Scotia 4.580% Feb 15 11	4.580%	0.7

Trailing Performance – Advisor Series (%)

	1 mo.	3 mo.	6 mo.	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception
	-0.3	0.1	2.5	6.0	3.3	4.4	-	5.7

Distributions – Advisor Series

	YTD	2007	2006	2005	2004	2003
MER (%)	-	0.89	0.88	0.88	0.88	0.88
Total Distributions (\$)	0.1300*	0.45	0.45	0.47	0.53	0.53
Interest	-	0.45	0.45	0.47	0.53	0.53
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

* Distributions are characterized into income type at year-end.

Note

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

Fund-specific information is on the next page.



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 May 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 May 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.

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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