



RBC Canadian Bond Index Fund



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

Fund Inception Date June 2000
Net Assets \$245.0MM
NAV – Series A \$11.11
2008 MER – Series A* 0.63%
Distribution Policy
 Income: Quarterly
 Capital Gains: Annually (Dec.)
Benchmark
 100% DEX Universe Federal 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 total return consisting of interest
 income and moderate capital growth by tracking
 the performance of the DEX Universe Federal
 Bond Index.

Fund Code
 Series A – RBF 563

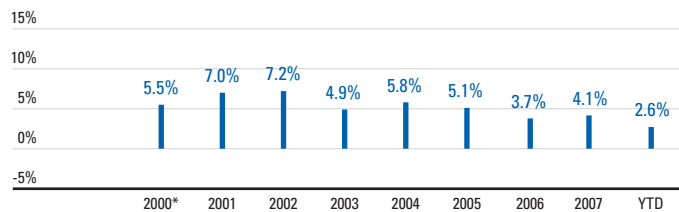
	Registered	Non-Registered
Minimum Investment		
Initial Investment	\$1,000	\$1,000
Additional Investment	\$25	\$25
Pre-Authorized Contribution	\$25	\$25

Trailing Performance – Series A (%)

	1 mo.	3 mo.	6 mo.	1 yr.	3 yr.	5 yr.	10 yr.	Since Inception
Fund (%)	0.0	-1.1	2.6	7.6	3.3	4.4	–	5.6
Quartile Ranking*	2	3	1	1	1	1		

* Source : Morningstar Canada

Calendar Performance – Series A



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

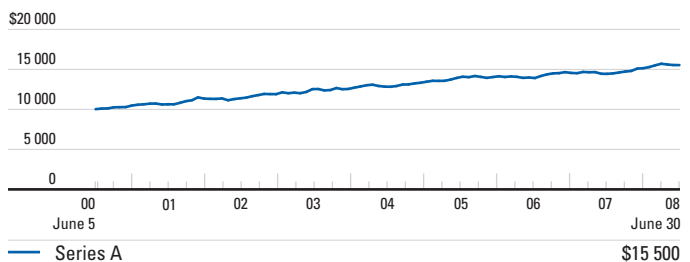
Quartile Ranking†

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

† Source: Morningstar Canada

Performance History

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



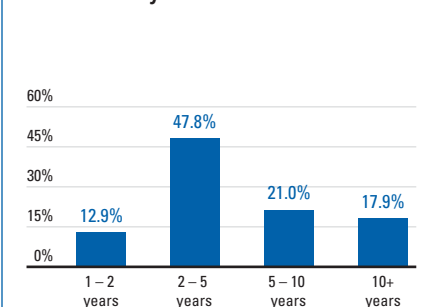
Summary of Investment Portfolio

Top 25 Holdings	Market Value (\$000)	% of Net Assets	Top 25 Holdings	Market Value (\$000)	% of Net Assets
Canada Housing Trust No. 1			Gov. of Canada 5.000% Jun 01 14	9 003	3.7
3.750% Mar 15 10	18 652	7.6	Gov. of Canada 4.000% Jun 01 16	9 001	3.7
Canada Housing Trust No. 1			Gov. of Canada 4.250% Sep 01 09	7 460	3.0
4.050% Mar 15 11	18 535	7.6	Gov. of Canada 4.000% Jun 01 17	7 443	3.0
Canada Housing Trust No. 1			Canada Housing Trust No. 1		
3.950% Dec 15 11	16 568	6.8	3.600% Jun 15 13	6 846	2.8
Canada Housing Trust No. 1			Gov. of Canada 3.750% Sep 01 11	6 452	2.6
4.000% Jun 15 12	16 479	6.7	Gov. of Canada 6.000% Jun 01 11	5 442	2.2
Canada Housing Trust No. 1			Gov. of Canada 5.500% Jun 01 10	5 278	2.2
4.550% Dec 15 12	16 002	6.5	Gov. of Canada 4.000% Sep 01 10	5 115	2.1
Gov. of Canada 4.250% Jun 01 18	15 421	6.3	Gov. of Canada 8.000% Jun 01 27	3 903	1.6
Gov. of Canada 5.250% Jun 01 13	14 768	6.0	Gov. of Canada 8.000% Jun 01 23	3 223	1.3
Gov. of Canada 5.750% Jun 01 29	13 944	5.7	Canada Mortgage & Housing Corp.		
Gov. of Canada 5.750% Jun 01 33	11 165	4.6	5.500% Jun 01 12	1 278	0.5
Gov. of Canada 5.000% Jun 01 37	10 741	4.4	Cash & Cash Equivalents	1 012	0.4
Gov. of Canada 4.500% Jun 01 15	10 064	4.1	Total	242 852	99.1
Gov. of Canada 5.250% Jun 01 12	9 057	3.7			

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

Portfolio Composition

Term Maturity



Note These pages are not complete without the disclaimer on page 172. Fund-specific information is on page 172.



RBC Canadian Bond Index Fund

Commentary

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



Distributions – Series A

	YTD	2007	2006	2005	2004	2003
MER (%)	0.63*	0.67	0.70	0.70	0.74	0.74
Total Distributions (\$)	0.1958**	0.41	0.40	0.42	0.46	0.47
Interest	–	0.41	0.40	0.42	0.46	0.47
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.

Top Sector Mix (%)

	Mar. '08	June '08
Federal Bonds	98.9	99.6

Downside Risk

Rolling Returns*	1 yr.	Ended	3 yr.	Ended	5 yr.	Ended	10 yr.	Ended
Best	11.80%	Oct-01	7.51%	Jun-03	6.89%	Jun-05	–	–
Worst	-1.19%	Jun-06	3.33%	Jun-08	4.31%	Sep-07	–	–
Average	5.43%		5.35%		5.35%		–	
Total periods	85		61		37		–	
Percentage of positive periods	99%		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.

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.

® Registered trademarks of Royal Bank of Canada. RBC Asset Management is a registered trademark of Royal Bank of Canada. Used under licence. © RBC Asset Management Inc. 2008.