



RBC Canadian T-Bill Fund

Fund Category
Canadian Money Market

Morningstar Rating™
★★★

Investment Objective

To preserve the value of investment and to provide current income and liquidity consistent with short-term money market rates. The fund invests in high-quality, short-term (one year or less) debt securities, such as Canadian federal government treasury bills, federal government-guaranteed notes, provincial government treasury bills and promissory notes.

Fund Details

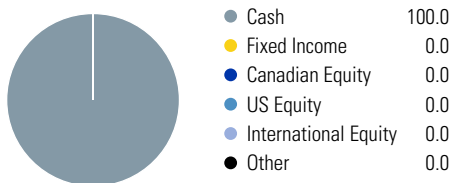
Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF262
Inception Date		January 1991	
Total Assets \$Mil		1,046.3	
Series A Current Yield %		0.37	
Series A MER %		0.21	
Benchmark		DEX 91 Day T-Bill Index	
Income Distribution		Monthly	
Capital Gains Distribution		N/A	
Sales Status		Open	
Min. Investment \$		500	
Subsequent Investment \$		25	
Management Company		RBC Asset Management Inc.	
Web Site		www.rbcam.com	

Notes

The current yield is an annualized yield based on the seven day period ended on July 31, 2010 and does not represent an actual one year return.

Portfolio Analysis as of July 31, 2010

Asset Mix



Term to Maturity

Term	%
0-30 days	43
31-60 days	14
61-90 days	0
90+ days	43
Avg. Term to Maturity (days)	80

Cash Breakdown

Category	Cash (%)
Treasury Bills	49.0
Provincial Bills	50.0
Bankers Acceptance	0.0
Commercial Paper	0.0
Bank Deposits	1.0

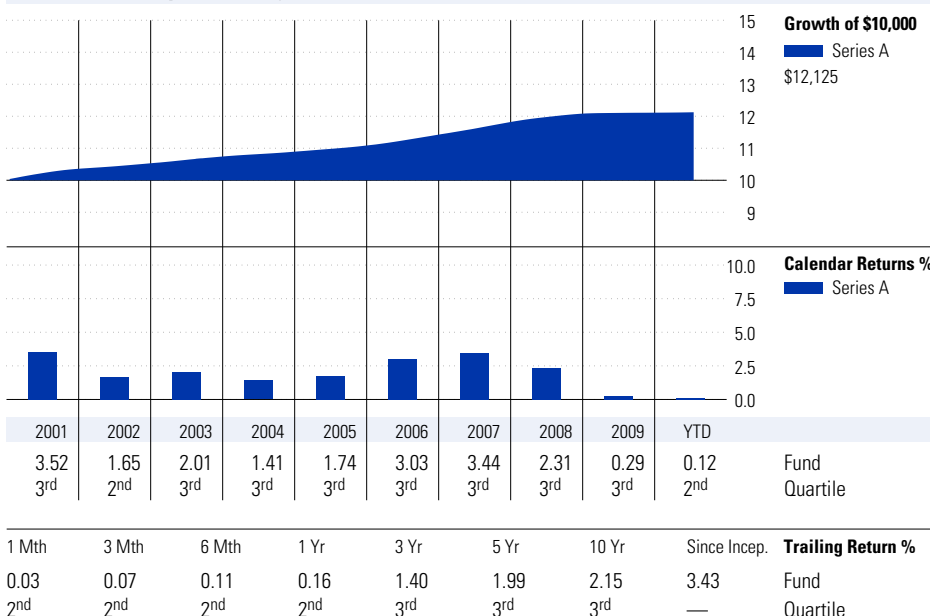
Credit Quality

Rating	%
R1 High	77.0
R1 Medium	23.0
R1 Low	0.0
Avg. Rating	R1 High

Top Ten Holdings

Security	% Assets
Govt Of Canada Treasury Bills 0.399% (ST)	19.1
Govt Of Canada T-Bills 0.879% 06-01-2011	11.9
Prov Of British Columbia 6.375% (ST)	10.3
Govt Of Canada Treasury Bills 0.451% (ST)	9.5
Province Of Quebec 0.960% 14-01-2011	7.1
Province Of Quebec 0.532% 20-08-2010	6.2
Government Of Canada T- Bill 0.651% (ST)	4.8
Province Of Ontario 0.416% 20-08-2010	4.3
Province Of Quebec 0.900% 17-12-2010	3.6
Bc Prov Ibn Resid 6.375 Aug 23 10 (ST)	3.0
Total % of Top 10 Holdings	79.8
Total Number of Stock Holdings	0
Total Number of Bond Holdings	0
Total Number of Other Holdings	23
Total Number of Holdings	23

Performance Analysis as of July 31, 2010





RBC Canadian T-Bill Fund

Management Overview

Manager Bios

Walter Posiewko

RBC Asset Management Inc.

Walter Posiewko is Vice President and Senior Portfolio Manager, Global Fixed Income and Money Markets. He has been in the Investment Industry since 1985.

Performance Analysis Cont'd as of July 31, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.01	0.03	0.23	0.34	0.30	0.17	0.14	0.20	0.16	0.35
Interest	0.01	0.03	0.23	0.34	0.30	0.17	0.14	0.20	0.16	0.35
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	1-1992	8.52	1-1994	6.29	1-1996	5.87	1-2001	4.81
Worst	4-2010	0.14	7-2010	1.40	8-2006	1.91	7-2010	2.15
Average		3.40		3.36		3.30		3.29
No. of Periods		223		199		175		115
Pct. Positive		100.00		100.00		100.00		100.00

Quarterly Commentary as at June 30, 2010

The RBC Canadian T-Bill Fund (Series A) returned 0.06% for the second quarter, compared to 0.12% for the DEX 91-Day T-Bill Index.

Expectations of an imminent rate hike by the Bank of Canada (BoC) were realized late in the quarter, with the BoC hiking its targeted rate by 0.25% to 0.50%. Although there were numerous reasons for exiting from its emergency funding stance, the BoC did mention that much uncertainty remains given; the chaos in capital markets in Europe, in the wake of the European sovereign debt crisis, and continued weakness in the U.S. economy. With this hike, Canada is the first G7 country to tighten policy since the financial crisis erupted in 2008.

Government yields increased approximately 0.10-0.25% through the quarter, in large part due to the BoC's tightening actions. However, expectations of further hikes were dampened in light of uncertainties tied to a slowing global

economy, fears in Europe, and a flight-to-quality towards government product. The Canadian yield curve flattened through the quarter on lack of conviction that the BoC would follow through with another hike. Our government mandates benefitted from the BoC's tightening, but average term was reduced as the curve did not price in any further hikes. Non-government yield spreads tightened on supply constraints, but with longer-dated yields rising in tandem with funding pressures overseas, we capitalized on some term extension opportunities for the non-government mandates.

Notwithstanding an uncertain outlook for international growth and a sidelined U.S. Federal Reserve, we expect the BoC to raise administered rates again at its next meeting. Economic metrics in Canada continue to justify a normalization of monetary policy and we anticipate more rate hikes are in store, although timing may be intermittent.



RBC Canadian T-Bill Fund

Disclosure

RBC Funds are offered by RBC Asset Management Inc. and distributed through authorized dealers. RBC Global Asset Management (RBC GAM) comprises RBC Asset Management Inc. (RBC AM), Phillips, Hager & North Investment Management Ltd. (PH&N) and RBC Global Asset Management (U.S.) Inc., which are separate legal entities owned by Royal Bank of Canada.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus of the mutual fund before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or covered by the Canadian Deposit Insurance Corporation or by any other government deposit insurer. The value of mutual funds change frequently and past performance may not be repeated.

The Top 25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on investment of any fund.

This fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in this fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in this fund profile without seeking the advice of an appropriate professional advisor.

For money market funds, the performance data assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. In addition, for money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you.

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 July 31, 2010.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of July 31, 2010. The ratings are subject to change every month. The ratings are calculated for funds with a minimum of 3 years of performance, calculated from the funds' 1 and 3 year average annual returns measured against a 91-day Treasury Bill return with appropriate fee adjustments. The top 10% of the funds in a category receive 5 stars (high); if the funds fall in the next 22.5%, they receive 4 stars (above average); a place in the middle 35% earns a fund 3 stars (neutral or average); those in the next 22.5% receive 2 stars (below average); and the lowest 10% get 1 star (low). Ratings are just one factor to consider when investing. For more information, please see www.morningstar.ca.

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