



RBC Monthly Income Fund

Fund Category

Canadian Neutral Balanced

Morningstar Rating™

★★★★★

Investment Objective

To provide relatively tax efficient monthly distributions consisting of dividend income, interest income and capital gains, as well as the potential for modest capital growth. The fund aims to provide as high a regular monthly income as possible.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF448
Adv	Front End	CAD	RBF763
Adv	Low Load	CAD	RBF115
F	No Load	CAD	RBF602

Inception Date	August 1997
Total Assets \$Mil	7,925.3
Series A NAV \$	12.95
Series A MER %	1.19
Benchmark	55% DEX Mid Term Gov 40% S&P/TSX Composite 5% DEX 60 Day T-Bill

Income Distribution	Monthly
Capital Gains Distribution	Annually
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Notes

Distribution Summary

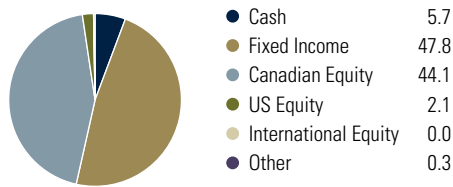
Monthly Distribution	4.75¢/unit
Current Payout Rate*	4.40%

*Assuming 12 consecutive months at the monthly distribution. The estimate does not include any year-end capital gains distributions paid in addition to the regular monthly distribution nor should it be confused with performance or rates of return.

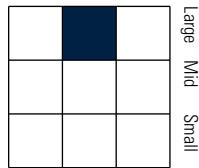
**No longer available for investment through registered plans and TFSAs.

Portfolio Analysis as of December 31, 2011

Asset Mix



Equity Style



Value Blend Growth

Statistics	%
P/B Ratio	1.6
P/E Ratio	11.9
Avg. Mkt Cap. \$Bil	18.9

Top 5 Sectors

Sector	% Equity
Financials	42.2
Energy	22.4
Materials	11.1
Industrials	6.8
Consumer Discretionary	4.7

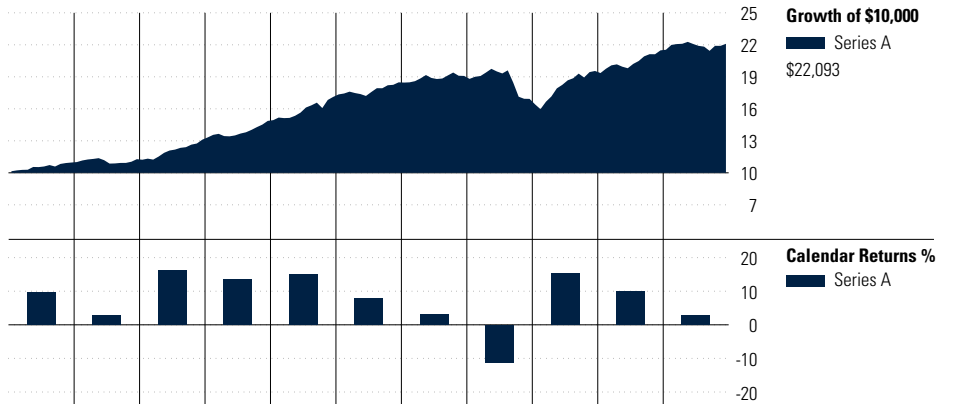
Income-Generating Asset-Class

Asset-Class	% Assets
Common Shares	46.2
Government Bonds	31.4
Investment-Grade Corporate Bonds	15.9
Other	5.9
High Yield Bonds	0.5
Preferred Shares	0.1

Top 25 Holdings

Holder	% Assets
Royal Bank of Canada	3.6
Toronto-Dominion Bank	3.6
Bank of Nova Scotia	2.6
Canada Govt 2.5% 01-09-2013	2.1
Ontario Prov Cda 4.65% 02-06-2041	1.9
Bank of Montreal	1.6
CIBC	1.4
Canadian Natural Resources Ltd	1.4
Brookfield Asset Management Inc Class A	1.4
Suncor Energy Inc	1.3
Potash Corporation of Saskatchewan, Inc.	1.3
Canada Govt 2% 01-12-2014	1.2
Canada Govt 1.5% 01-11-2013	1.2
Ontario Hydro 8.25% 22-06-2026	1.2
Canada Hsg Tr No 1 3.15% 15-06-2014	1.1
Canada Govt 5.75% 01-06-2029	1.1
Goldcorp, Inc.	1.1
Ontario Prov Cda 4.4% 02-06-2019	1.1
Hydro-Quebec 11% 15-08-2020	1.0
Canada Hsg Tr No 1 2.75% 15-12-2014	1.0
Ontario Prov Cda 4% 02-06-2021	1.0
Ontario Prov Cda 8% 02-06-2026	1.0
Canada Govt 3.25% 01-06-2021	1.0
TransCanada Corp	1.0
Barrick Gold Corporation	0.9
Total % of Top 25 Holdings	37.1
Total Number of Stock Holdings	105
Total Number of Bond Holdings	197
Total Number of Other Holdings	12
Total Number of Holdings	314

Performance Analysis as of December 31, 2011



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Fund Quartile
Return %	9.6	2.9	16.2	13.4	15.1	8.0	3.2	-11.3	15.4	9.9	2.9	1st
Rank	1st	1st	1st	1st	1st	3rd	1st	1st	3rd	2nd	1st	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	0.9	3.1	0.1	2.9	9.3	3.6	7.3	7.3	Fund
Quartile	2nd	3rd	1st	1st	2nd	1st	1st	—	Quartile



RBC Monthly Income Fund

Management Overview

Manager Bios

Jennifer McClelland

RBC Global Asset Management Inc.

Jennifer McClelland is Vice President and Senior Portfolio Manager, Canadian Equities. She has been in the Investment Industry since 1995.

Suzanne Gaynor

RBC Global Asset Management Inc.

Suzanne Gaynor is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the Investment Industry since 1988.

Performance Analysis Cont'd as of December 31, 2011

Distributions (\$)/Unit	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.57	0.57	0.57	0.57	1.14	0.77	0.53	0.56	0.51	0.59	0.58
Interest	—	0.30	0.43	0.41	0.39	0.38	0.37	0.36	0.35	0.32	0.35
Dividends	0.17	0.15	0.14	0.16	0.17	0.15	0.16	0.20	0.15	0.27	0.23
Capital Gains	0.18	—	—	—	0.58	0.24	—	—	—	—	—
Return Of Capital	0.22	0.11	—	—	—	—	—	—	0.01	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2001	25.7	3-2006	16.1	2-2005	13.3	2-2010	9.3
Worst	2-2009	-16.0	2-2009	-2.9	2-2009	3.3	2-2009	6.4
Average		7.6		8.0		8.4		8.0
No. of Periods		161		137		113		53
Pct. Positive		83.9		96.4		100.0		100.0

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

Quarterly Commentary as at December 31, 2011

In the 4th quarter, the RBC Monthly Income Fund (Series A) returned 3.1%, compared to 2.6% for its benchmark.

During the quarter, the Fund held an overweight position in equities relative to the benchmark. Fixed income performance benefited from being overweight corporate and provincial bonds as spreads narrowed against Government of Canada bonds. We did use the widening of spreads in the 3rd quarter as an opportunity to increase the exposure of the Fund, adding long Ontario bonds.

The Fund's equity portion held a significant overweight position in the Energy sector. This was positive as the sector gained 11% on higher prices for crude oil. Fund performance in the Financials sector was also positive. The Fund held an outsized investment in REITs which performed better than the sector as investors sought high yielding investments. The Materials sector ended the quarter lower as prices for gold and precious

metals slipped.

Major indices have been range bound as investors wrestle with an unusually wide range of economic outcomes. On the positive side of the ledger, a continuation of modest growth in corporate earnings, supported by improving consumer confidence and spending and healthy corporate balance sheets would allow for a reasonably valued stock market to move higher. On the other hand, stresses within the euro zone and a weakening Chinese economy could impact confidence and tip the global economy toward recession. We remain constructive, but continue to monitor the macro environment closely. And in the meantime, particularly given the low lending rate environment, we expect that dividend paying securities will remain attractive to investors. We feel it is reasonable to assume that monetary policy will remain accommodative for the foreseeable future.



RBC Monthly Income Fund

Disclosure

RBC Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

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.

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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.

MER (%) based on actual expenses for full year period January 1 to December 31, 2011.

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 December 31, 2011.

Morningstar ratings are overall ratings reflecting risk adjusted performance as December 31, 2011. 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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