



RBC \$U.S. Income Fund

Fund Category

Global Fixed Income Balanced

Investment Objective

To provide a combination of regular U.S. dollar monthly income and modest capital growth by investing primarily in U.S. fixed-income and equity securities.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	USD	RBF587
Adv	Front End	USD	RBF764
Adv	Low Load	USD	RBF116
F	No Load	USD	RBF640

Inception Date	May 2005
Total Assets \$Mil	412.0
Series A NAV \$	10.06
Series A MER %	1.78
Benchmark	60% Barclay US Aggregate 40% S&P 500 (\$US)

Income Distribution	Monthly
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

Distribution Summary

Monthly Distribution	3¢/unit
Current Payout Rate*	3.58%

*Assuming 12 consecutive months at the monthly distribution set out above. 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.

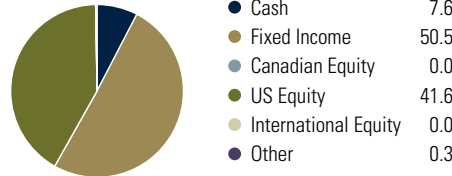
Not available for registered plans within RBC Royal Bank.

Morningstar Rating™

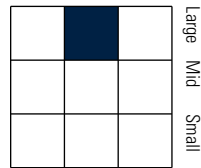
N/A

Portfolio Analysis as of December 31, 2011

Asset Mix



Equity Style



Statistics	%
P/B Ratio	2.1
P/E Ratio	12.5
Avg. Mkt Cap. \$Bil	58.4

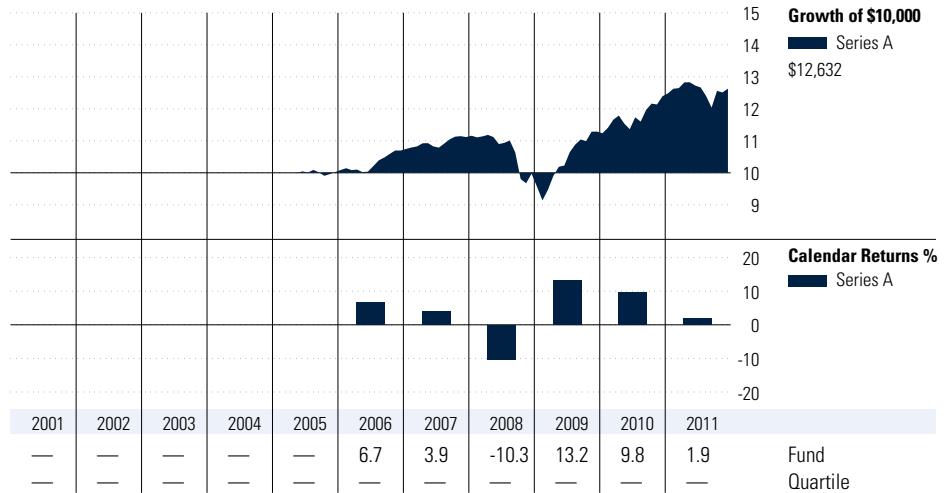
Top 5 Sectors	% Equity
Information Technology	21.2
Financials	12.0
Energy	11.5
Consumer Staples	11.2
Consumer Discretionary	10.2

Income-Generating Asset-Class	% Assets
Common Shares	41.6
Other	26.7
Investment-Grade Corporate Bonds	17.1
Government Bonds	8.3
High Yield Bonds	6.3
Preferred Shares	0.0

Top 25 Holdings

Top 25 Holdings	% Assets
FNMA 3.5% 01-10-2031	5.5
Ontario Prov Cda 4.1% 16-06-2014	2.8
FHLMC 4.5% 01-02-2041	2.2
FHLMC 5% 01-09-2040	2.1
FHLMC 4.5% 01-05-2039	1.9
Exxon Mobil Corporation	1.5
Apple, Inc.	1.5
FNMA 4% 01-08-2040	1.5
US Treasury Note 1.75% 31-03-2014	1.3
FHLMC 4% 01-12-2040	1.2
FNMA 4% 01-11-2040	1.1
JPMorgan Chase & Co	1.1
Chevron Corp	1.0
International Business Machines Corp	1.0
Wells Fargo & Co	1.0
Pfizer Inc	0.9
FHLMC 5% 01-02-2039	0.9
US Treasury Note 3.75% 15-11-2018	0.9
The Procter & Gamble Co	0.9
The Coca-Cola Co	0.8
ConocoPhillips	0.8
Google, Inc.	0.8
Microsoft Corporation	0.8
General Electric Co	0.7
Kraft Foods Inc	0.7
Total % of Top 25 Holdings	35.0
Total Number of Stock Holdings	98
Total Number of Bond Holdings	248
Total Number of Other Holdings	8
Total Number of Holdings	354

Performance Analysis as of December 31, 2011



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
1.0	4.9	-0.7	1.9	8.2	3.4	—	3.6	Fund
—	—	—	—	—	—	—	—	Quartile



RBC \$U.S. Income Fund

Management Overview

Manager Bios

Frank Gambino

RBC Global Asset Management Inc.

Frank Gambino is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. He has been in the Investment Industry since 1990.

Cameron Hurst

Cameron Hurst is Portfolio Manager, U.S. and Global Equities. He has been in the investment industry since 1999.

Brad Willock

Brad Willock is Vice President and Senior Portfolio Manager, U.S. Equities. He has been in the investment industry since 1996.

Soo Boo Cheah

RBC Asset Management UK Limited

Soo Boo Cheah is Portfolio Manager, Global Fixed Income and Currencies

James Learmonth

James Learmonth is Portfolio Manager, U.S. Equities. He has been in the investment industry since 2000.

Jane Lesslie

RBC Asset Management UK Limited

Jane Lesslie is 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	0.36	0.36	0.36	0.42	0.28	0.29	0.16	—	—	—	—
Interest	0.18	0.16	0.21	0.27	0.28	0.29	0.14	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	0.18	0.20	0.15	0.15	—	—	0.01	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2010	24.8	11-2011	9.0	5-2011	5.1	—	—
Worst	2-2009	-17.7	2-2009	-3.4	6-2010	2.5	—	—
Average		4.4		2.6		3.9		—
No. of Periods		68		44		20		—
Pct. Positive		80.9		84.1		100.0		—

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

Quarterly Commentary as at December 31, 2011

The RBC \$U.S. Income Fund (Series A) posted a return of 4.9% in the 4th quarter versus 3.7% gain for its benchmark.

Investor sentiment relating to risk within the fixed income market was variable. Macro risks, such as, slow global economic growth, the European sovereign debt crisis and its contagion to Italy, Spain and France, including bank funding and regulatory initiatives continued to weigh on the market. The 4th quarter was no exception to the volatility, and riskier assets such as high yield bonds and emerging market debt securities performed well, rebounding strongly from the 3rd quarter. The Fund also benefitted from our higher quality corporate bonds with longer maturity profiles as these securities out performed in the 4th quarter.

U.S. government bonds and high quality, conventional mortgaged backed securities under performed in the 'risk on' 4th quarter. The Fund was, however, underweight government bonds

relative to the benchmark.

In the near term, investor sentiment towards riskier assets such as investment grade, high yield and emerging market bonds is expected to continue guarded, and volatility is expected to continue given the macro risks of slowing global economic growth combined with no near term resolution of the debt and funding crisis in Europe. Liquidity is also below average for credit assets, which could positively or negatively magnify returns. These macro uncertainties may favor U.S. government bonds relative to risky assets.

Longer term, we remain constructive on credit assets given solid company and country fundamentals, attractive value and investor's ongoing need for yield. The Fund will maintain its weight in high-yield and emerging market bonds as these sectors offer relative value. We will also favour investment grade corporate bonds and conventional mortgaged backed securities relative to government bonds as they offer value.



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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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