



Financial Statements of

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

December 31, 2006



TABLE OF CONTENTS

Auditors' Report 1

Financial Statements

 Total — All Funds and Portfolios 2

 Individual Funds and Portfolios 3-22

Notes to the Financial Statements 23-29

AUDITORS' REPORT

To the Contractholders of

Funds:

RBC Canadian Money Market GIF	RBC North American Growth GIF
RBC Canadian Short-Term Income GIF	RBC U.S. Equity GIF
RBC Bond GIF	RBC O'Shaughnessy U.S. Value GIF
RBC Balanced GIF	RBC U.S. Mid-Cap Equity GIF
RBC Canadian Dividend GIF	RBC Global Titans GIF
RBC Canadian Equity GIF	RBC O'Shaughnessy International GIF

Portfolios:

RBC Conservative GIP	RBC Growth GIP
RBC Balanced GIP	RBC Aggressive Growth GIP

(collectively referred to as RBC Insurance Guaranteed Investment Funds or the Funds)

We have audited the statements of net assets of RBC Insurance Guaranteed Investment Funds as at December 31, 2006 and the statements of operations and of changes in net assets of the Funds for the period from inception on September 18, 2006 to December 31, 2006. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of each of the Funds as at December 31, 2006 and the results of their operations and changes in their net assets for the period from inception on September 18, 2006 to December 31, 2006, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

February 14, 2007
Toronto, Canada

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

TOTAL — ALL FUNDS AND PORTFOLIOS

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 14,488
Realized gains on sale of investments	133,520
Increase in unrealized appreciation of investments	30,487
	<u>178,495</u>
Expenses	
Management fees	8,169
Insurance fees	2,597
Other administrative expenses	6,266
	<u>17,032</u>
Net Income	\$ 161,463

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 8,457,684
Cash	248,414
Accrued income distribution from investments	502
Due from RBC Life Insurance Company	81,897
	<u>8,788,497</u>
Liabilities	
Management fee payable	8,169
Insurance fee payable	2,597
Accounts payable and accrued liabilities	88,163
	<u>98,929</u>
Unitholders' equity	\$ 8,689,568

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	8,833,845
Net income	161,463
	<u>8,995,308</u>
Less	
Withdrawals	305,740
	<u>305,740</u>
Net Assets, end of the year	\$ 8,689,568

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC CANADIAN MONEY MARKET GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 393
	<u>393</u>
Expenses	
Management fees	40
Insurance fees	8
Other administrative expenses	54
	<u>102</u>
Net Income	\$ 291
Net income per unit	<u>\$ 0.01</u>

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 234,503
Cash	2,318
Accrued income distribution from investments	349
Due from RBC Life Insurance Company	4,811
	<u>241,981</u>
Liabilities	
Management fee payable	40
Insurance fee payable	8
Accounts payable and accrued liabilities	4,865
	<u>4,913</u>
Unitholders' equity	\$ 237,068
Net asset value per unit	<u>\$ 10.09</u>

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	246,777
Net income	291
	<u>247,068</u>
Less	
Withdrawals	10,000
	<u>10,000</u>
Net Assets, end of the year	\$ 237,068
Number of units outstanding	<u>23,494</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC CANADIAN SHORT-TERM INCOME GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 68
Decrease in unrealized appreciation of investments	(9)
	<u>59</u>
Expenses	
Management fees	10
Insurance fees	3
Other administrative expenses	12
	<u>25</u>
Net Income	\$ 34
Net income per unit	\$ 0.07

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 5,059
Due from RBC Life Insurance Company	4,785
	<u>9,844</u>
Liabilities	
Management fee payable	10
Insurance fee payable	3
Accounts payable and accrued liabilities	4,797
	<u>4,810</u>
Unitholders' equity	\$ 5,034
Net asset value per unit	\$ 10.07

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	5,000
Net income	34
	<u>5,034</u>
Less	
Withdrawals	-
	<u>-</u>
Net Assets, end of the year	\$ 5,034
Number of units outstanding	500

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC BOND GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 79
Realized gains on sale of investments	187
Increase in unrealized appreciation of investments	46
	<u>312</u>
Expenses	
Management fees	36
Insurance fees	8
Other administrative expenses	46
	<u>90</u>
Net Income	\$ 222
Net income per unit	<u>\$ 0.09</u>

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 22,029
Cash	2,317
Due from RBC Life Insurance Company	4,783
	<u>29,129</u>
Liabilities	
Management fee payable	36
Insurance fee payable	8
Accounts payable and accrued liabilities	4,830
	<u>4,874</u>
Unitholders' equity	\$ 24,255
Net asset value per unit	<u>\$ 10.16</u>

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	41,787
Net income	222
	<u>42,009</u>
Less	
Withdrawals	17,754
	<u>17,754</u>
Net Assets, end of the year	\$ 24,255
Number of units outstanding	<u>2,387</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC BALANCED GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 3,114
Realized gains on sale of investments	66,236
Decrease in unrealized appreciation of investments	(48,036)
	<u>21,314</u>
Expenses	
Management fees	1,433
Insurance fees	336
Other administrative expenses	1,088
	<u>2,857</u>
Net Income	\$ 18,457
Net income per unit	<u>\$ 0.13</u>

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 1,481,564
Cash	2,628
Due from RBC Life Insurance Company	4,698
	<u>1,488,890</u>
Liabilities	
Management fee payable	1,433
Insurance fee payable	336
Accounts payable and accrued liabilities	5,783
	<u>7,552</u>
Unitholders' equity	\$ 1,481,338
Net asset value per unit	<u>\$ 10.58</u>

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	1,737,817
Net income	18,457
	<u>1,756,274</u>
Less	
Withdrawals	274,936
	<u>274,936</u>
Net Assets, end of the year	\$ 1,481,338
Number of units outstanding	<u>140,019</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC CANADIAN DIVIDEND GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 3,204
Realized gains on sale of investments	20,648
Increase in unrealized appreciation of investments	26,063
	<u>49,915</u>
Expenses	
Management fees	2,166
Insurance fees	509
Other administrative expenses	1,651
	<u>4,326</u>
Net Income	\$ 45,589
Net income per unit	<u>\$ 0.27</u>

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 1,803,121
Cash	3,155
Due from RBC Life Insurance Company	4,646
	<u>1,810,922</u>
Liabilities	
Management fee payable	2,166
Insurance fee payable	509
Accounts payable and accrued liabilities	6,296
	<u>8,971</u>
Unitholders' equity	\$ 1,801,951
Net asset value per unit	<u>\$ 10.81</u>

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	1,756,762
Net income	45,589
	<u>1,802,351</u>
Less	
Withdrawals	400
	<u>400</u>
Net Assets, end of the year	\$ 1,801,951
Number of units outstanding	<u>166,638</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC CANADIAN EQUITY GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 5
Realized gains on sale of investments	2,491
Increase in unrealized appreciation of investments	777
	<u>3,273</u>
Expenses	
Management fees	149
Insurance fees	65
Other administrative expenses	113
	<u>327</u>
Net Income	\$ 2,946
Net income per unit	\$ 0.19

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 168,755
Cash	3,045
Due from RBC Life Insurance Company	4,777
	<u>176,577</u>
Liabilities	
Management fee payable	149
Insurance fee payable	65
Accounts payable and accrued liabilities	4,891
	<u>5,105</u>
Unitholders' equity	\$ 171,472
Net asset value per unit	\$ 11.10

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	168,526
Net income	2,946
	<u>171,472</u>
Less	
Withdrawals	-
	<u>-</u>
Net Assets, end of the year	\$ 171,472
Number of units outstanding	15,450

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

FINANCIAL STATEMENTS

December 31, 2006

RBC NORTH AMERICAN GROWTH GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 135
Realized gains on sale of investments	8,566
Decrease in unrealized appreciation of investments	(6,492)
	<u>2,209</u>
Expenses	
Management fees	95
Insurance fees	41
Other administrative expenses	73
	<u>209</u>
Net Income	\$ 2,000
Net income per unit	\$ 0.23

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 91,686
Cash	2,307
Due from RBC Life Insurance Company	4,781
	<u>98,774</u>
Liabilities	
Management fee payable	95
Insurance fee payable	41
Accounts payable and accrued liabilities	4,855
	<u>4,991</u>
Unitholders' equity	\$ 93,783
Net asset value per unit	\$ 10.98

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	91,783
Net income	2,000
	<u>93,783</u>
Less	
Withdrawals	-
	<u>-</u>
Net Assets, end of the year	\$ 93,783
Number of units outstanding	8,538

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC U.S. EQUITY GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Increase in unrealized appreciation of investments	\$ 743
	<u>743</u>
Expenses	
Management fees	26
Insurance fees	13
Other administrative expenses	21
	<u>60</u>
Net Income	\$ 683
Net income per unit	<u>\$ 0.79</u>

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 9,541
Due from RBC Life Insurance Company	4,784
	<u>14,325</u>
Liabilities	
Management fee payable	26
Insurance fee payable	13
Accounts payable and accrued liabilities	4,805
	<u>4,844</u>
Unitholders' equity	\$ 9,481
Net asset value per unit	<u>\$ 10.98</u>

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	8,798
Net income	683
	<u>9,481</u>
Less	
Withdrawals	-
	<u>-</u>
Net Assets, end of the year	\$ 9,481
Number of units outstanding	<u>863</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC O'SHAUGHNESSY U.S. VALUE GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 620
Realized gains on sale of investments	11,252
Decrease in unrealized appreciation of investments	(7,350)
	<u>4,522</u>
Expenses	
Management fees	481
Insurance fees	241
Other administrative expenses	369
	<u>1,091</u>
Net Income	\$ 3,431
Net income per unit	\$ 0.09

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 423,959
Cash	2,318
Due from RBC Life Insurance Company	4,754
	<u>431,031</u>
Liabilities	
Management fee payable	481
Insurance fee payable	241
Accounts payable and accrued liabilities	5,124
	<u>5,846</u>
Unitholders' equity	\$ 425,185
Net asset value per unit	\$ 10.71

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	421,754
Net income	3,431
	<u>425,185</u>
Less	
Withdrawals	-
	<u>-</u>
Net Assets, end of the year	\$ 425,185
Number of units outstanding	39,681

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC U.S. MID-CAP EQUITY GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Increase in unrealized appreciation of investments	\$ 657
	<u>657</u>
Expenses	
Management fees	19
Insurance fees	10
Other administrative expenses	14
	<u>43</u>
Net Income	\$ 614
Net income per unit	<u>\$ 1.23</u>

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 5,658
Due from RBC Life Insurance Company	4,785
	<u>10,443</u>
Liabilities	
Management fee payable	19
Insurance fee payable	10
Accounts payable and accrued liabilities	4,800
	<u>4,829</u>
Unitholders' equity	\$ 5,614
Net asset value per unit	<u>\$ 11.23</u>

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	5,000
Net income	614
	<u>5,614</u>
Less	
Withdrawals	-
	<u>-</u>
Net Assets, end of the year	\$ 5,614
Number of units outstanding	<u>500</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC GLOBAL TITANS GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 56
Increase in unrealized appreciation of investments	872
	<u>928</u>
Expenses	
Management fees	30
Insurance fees	15
Other administrative expenses	23
	<u>68</u>
Net Income	\$ 860
Net income per unit	<u>\$ 0.27</u>

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 34,092
Cash	2,307
Due from RBC Life Insurance Company	4,784
	<u>41,183</u>
Liabilities	
Management fee payable	30
Insurance fee payable	15
Accounts payable and accrued liabilities	4,807
	<u>4,852</u>
Unitholders' equity	\$ 36,331
Net asset value per unit	<u>\$ 11.26</u>

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	35,471
Net income	860
	<u>36,331</u>
Less	
Withdrawals	-
	<u>-</u>
Net Assets, end of the year	\$ 36,331
Number of units outstanding	<u>3,227</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC O'SHAUGHNESSY INTERNATIONAL GIF

Statement of Operations	Period from September 18 to December 31, 2006
Income	
Distribution from underlying funds	\$ 1,020
Increase in unrealized appreciation of investments	30,961
	<u>31,981</u>
Expenses	
Management fees	632
Insurance fees	320
Other administrative expenses	469
	<u>1,421</u>
Net Income	\$ 30,560
Net income per unit	<u>\$ 0.66</u>

Statement of Net Assets	As at December 31, 2006
Assets	
Investments in underlying funds at market value	\$ 536,549
Cash	2,307
Due from RBC Life Insurance Company	4,739
	<u>543,595</u>
Liabilities	
Management fee payable	632
Insurance fee payable	320
Accounts payable and accrued liabilities	5,208
	<u>6,160</u>
Unitholders' equity	\$ 537,435
Net asset value per unit	<u>\$ 11.59</u>

Statement of Changes in Net Assets	Period from September 18 to December 31, 2006
Net assets, beginning of period	\$ -
Premium deposits	506,875
Net income	30,560
	<u>537,435</u>
Less	
Withdrawals	-
	<u>-</u>
Net Assets, end of the year	\$ 537,435
Number of units outstanding	<u>46,390</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC CONSERVATIVE GIP, SERIES 1

Statement of Operations

Period from
September 18 to
December 31, 2006

Income

Distribution from underlying funds	\$ 182
Realized gains on sale of investments	187
Increase in unrealized appreciation of investments	366

735

Expenses

Management fees	99
Insurance fees	17
Other administrative expenses	84

200

Net Income

\$ 535

Net income per unit

\$ 0.10

Statement of Net Assets

As at
December 31, 2006

Assets

Investments in underlying funds at market value	\$ 56,517
Cash	1
Accrued income distribution from investments	6
Due from RBC Life Insurance Company	1,856

58,380

Liabilities

Management fee payable	99
Insurance fee payable	17
Accounts payable and accrued liabilities	2,729

2,845

Unitholders' equity

\$ 55,535

Net asset value per unit

\$ 10.38

Statement of Changes in Net Assets

Period from
September 18 to
December 31, 2006

Net assets, beginning of period	\$ -
Premium deposits	55,000
Net income	535

55,535

Less

Withdrawals	-
-------------	---

-

Net Assets, end of the year

\$ 55,535

Number of units outstanding

5,352

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC CONSERVATIVE GIP, SERIES 2

Statement of Operations

Period from
September 18 to
December 31, 2006

Income

Distribution from underlying funds	\$ 681
Realized gains on sale of investments	895
Increase in unrealized appreciation of investments	1,752

3,328

Expenses

Management fees	215
Insurance fees	52
Other administrative expenses	162

429

Net Income

\$ 2,899

Net income per unit

\$ 0.11

Statement of Net Assets

As at
December 31, 2006

Assets

Investments in underlying funds at market value	\$ 271,533
Cash	3
Accrued income distribution from investments	9
Due from RBC Life Insurance Company	4,073

275,618

Liabilities

Management fee payable	215
Insurance fee payable	52
Accounts payable and accrued liabilities	3,443

3,710

Unitholders' equity

\$ 271,908

Net asset value per unit

\$ 10.56

Statement of Changes in Net Assets

Period from
September 18 to
December 31, 2006

Net assets, beginning of period	\$ -
Premium deposits	269,009
Net income	2,899

271,908

Less

Withdrawals	-
-------------	---

-

Net Assets, end of the year

\$ 271,908

Number of units outstanding

25,739

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

FINANCIAL STATEMENTS

December 31, 2006

RBC BALANCED GIP, SERIES 1

Statement of Operations

Period from
September 18 to
December 31, 2006

Income

Distribution from underlying funds	\$ 1,639
Realized gains on sale of investments	5,717
Increase in unrealized appreciation of investments	4,846
	<u>12,202</u>

Expenses

Management fees	759
Insurance fees	185
Other administrative expenses	606
	<u>1,550</u>

Net Income

\$ 10,652

Net income per unit	<u>\$ 0.13</u>
---------------------	----------------

Statement of Net Assets

As at
December 31, 2006

Assets

Investments in underlying funds at market value	\$ 796,225
Cash	65,160
Accrued income distribution from investments	32
Due from RBC Life Insurance Company	2,961
	<u>864,378</u>

Liabilities

Management fee payable	759
Insurance fee payable	185
Accounts payable and accrued liabilities	4,236
	<u>5,180</u>

Unitholders' equity

\$ 859,198

Net asset value per unit	<u>\$ 10.67</u>
--------------------------	-----------------

Statement of Changes in Net Assets

Period from
September 18 to
December 31, 2006

Net assets, beginning of period	\$ -
Premium deposits	849,296
Net income	10,652
	<u>859,948</u>

Less

Withdrawals	750
	<u>750</u>

Net Assets, end of the year

\$ 859,198

Number of units outstanding	<u>80,529</u>
-----------------------------	---------------

RBC INSURANCE GUARANTEED INVESTMENT FUNDS
FINANCIAL STATEMENTS

December 31, 2006

RBC BALANCED GIP, SERIES 2

Statement of Operations

Period from
September 18 to
December 31, 2006

Income	
Distribution from underlying funds	\$ 2,043
Realized gains on sale of investments	7,282
Increase in unrealized appreciation of investments	7,987
	<u>17,312</u>
Expenses	
Management fees	956
Insurance fees	292
Other administrative expenses	715
	<u>1,963</u>
Net Income	\$ 15,349
Net income per unit	<u>\$ 0.12</u>

Statement of Net Assets

As at
December 31, 2006

Assets	
Investments in underlying funds at market value	\$ 1,312,894
Cash	107,443
Accrued income distribution from investments	54
Due from RBC Life Insurance Company	3,831
	<u>1,424,222</u>
Liabilities	
Management fee payable	956
Insurance fee payable	292
Accounts payable and accrued liabilities	3,876
	<u>5,124</u>
Unitholders' equity	\$ 1,419,098
Net asset value per unit	<u>\$ 10.68</u>

Statement of Changes in Net Assets

Period from
September 18 to
December 31, 2006

Net assets, beginning of period	\$ -
Premium deposits	1,405,649
Net income	15,349
	<u>1,420,998</u>
Less	
Withdrawals	1,900
	<u>1,900</u>
Net Assets, end of the year	\$ 1,419,098
Number of units outstanding	<u>132,831</u>

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

FINANCIAL STATEMENTS

December 31, 2006

RBC GROWTH GIP, SERIES 1

Statement of Operations

Period from
September 18 to
December 31, 2006

Income

Distribution from underlying funds	\$ 372
Realized gains on sale of investments	2,550
Increase in unrealized appreciation of investments	2,797
	<u>5,719</u>

Expenses

Management fees	262
Insurance fees	104
Other administrative expenses	209
	<u>575</u>

Net Income	\$ 5,144
-------------------	-----------------

Net income per unit	<u>\$ 0.23</u>
---------------------	----------------

Statement of Net Assets

As at
December 31, 2006

Assets

Investments in underlying funds at market value	\$ 233,921
Cash	13,299
Accrued income distribution from investments	11
Due from RBC Life Insurance Company	1,745
	<u>248,976</u>

Liabilities

Management fee payable	262
Insurance fee payable	104
Accounts payable and accrued liabilities	3,121
	<u>3,487</u>

Unitholders' equity	\$ 245,489
----------------------------	-------------------

Net asset value per unit	<u>\$ 10.95</u>
--------------------------	-----------------

Statement of Changes in Net Assets

Period from
September 18 to
December 31, 2006

Net assets, beginning of period	\$ -
Premium deposits	240,345
Net income	5,144
	<u>245,489</u>

Less

Withdrawals	-
	<u>-</u>

Net Assets, end of the year	\$ 245,489
------------------------------------	-------------------

Number of units outstanding	<u>22,424</u>
-----------------------------	---------------

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

FINANCIAL STATEMENTS

December 31, 2006

RBC GROWTH GIP, SERIES 2

Statement of Operations

Period from
September 18 to
December 31, 2006

Income

Distribution from underlying funds	\$ 650
Realized gains on sale of investments	4,287
Increase in unrealized appreciation of investments	8,197
	<u>13,134</u>

Expenses

Management fees	494
Insurance fees	218
Other administrative expenses	356
	<u>1,068</u>

Net Income

\$ 12,066

Net income per unit

\$ 0.18

Statement of Net Assets

As at
December 31, 2006

Assets

Investments in underlying funds at market value	\$ 686,075
Cash	39,004
Accrued income distribution from investments	27
Due from RBC Life Insurance Company	4,429
	<u>729,535</u>

Liabilities

Management fee payable	494
Insurance fee payable	218
Accounts payable and accrued liabilities	3,619
	<u>4,331</u>

Unitholders' equity

\$ 725,204

Net asset value per unit

\$ 11.01

Statement of Changes in Net Assets

Period from
September 18 to
December 31, 2006

Net assets, beginning of period	\$ -
Premium deposits	713,138
Net income	12,066
	<u>725,204</u>

Less

Withdrawals	-
	<u>-</u>

Net Assets, end of the year

\$ 725,204

Number of units outstanding

65,847

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

FINANCIAL STATEMENTS

December 31, 2006

RBC AGGRESSIVE GROWTH GIP, SERIES 1

Statement of Operations

Period from
September 18 to
December 31, 2006

Income

Distribution from underlying funds	\$ 25
Realized gains on sale of investments	340
Increase in unrealized appreciation of investments	497

862

Expenses

Management fees	46
Insurance fees	22
Other administrative expenses	38

106

Net Income

\$ 756

Net income per unit

\$ 0.38

Statement of Net Assets

As at
December 31, 2006

Assets

Investments in underlying funds at market value	\$ 22,280
Cash	63
Accrued income distribution from investments	2
Due from RBC Life Insurance Company	1,890

24,235

Liabilities

Management fee payable	46
Insurance fee payable	22
Accounts payable and accrued liabilities	2,318

2,386

Unitholders' equity

\$ 21,849

Net asset value per unit

\$ 10.91

Statement of Changes in Net Assets

Period from
September 18 to
December 31, 2006

Net assets, beginning of period	\$ -
Premium deposits	21,093
Net income	756

21,849

Less

Withdrawals	-
-------------	---

-

Net Assets, end of the year

\$ 21,849

Number of units outstanding

2,002

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

FINANCIAL STATEMENTS

December 31, 2006

RBC AGGRESSIVE GROWTH GIP, SERIES 2

Statement of Operations

Period from
September 18 to
December 31, 2006

Income

Distribution from underlying funds	\$ 202
Realized gains on sale of investments	2,882
Increase in unrealized appreciation of investments	5,813
	<u>8,897</u>

Expenses

Management fees	222
Insurance fees	137
Other administrative expenses	163
	<u>522</u>

Net Income	\$ 8,375
-------------------	-----------------

Net income per unit	<u>\$ 0.36</u>
---------------------	----------------

Statement of Net Assets

As at
December 31, 2006

Assets

Investments in underlying funds at market value	\$ 261,723
Cash	739
Accrued income distribution from investments	12
Due from RBC Life Insurance Company	3,985
	<u>266,459</u>

Liabilities

Management fee payable	222
Insurance fee payable	137
Accounts payable and accrued liabilities	3,760
	<u>4,119</u>

Unitholders' equity	\$ 262,340
----------------------------	-------------------

Net asset value per unit	<u>\$ 11.17</u>
--------------------------	-----------------

Statement of Changes in Net Assets

Period from
September 18 to
December 31, 2006

Net assets, beginning of period	\$ -
Premium deposits	253,965
Net income	8,375
	<u>262,340</u>

Less

Withdrawals	-
	<u>-</u>

Net Assets, end of the year	\$ 262,340
------------------------------------	-------------------

Number of units outstanding	<u>23,479</u>
-----------------------------	---------------

1. THE FUNDS

RBC Insurance Guaranteed Investment Funds are segregated funds which were formed on September 18, 2006, and are comprised of the following funds and portfolios:

Funds:

RBC Canadian Money Market GIF	RBC North American Growth GIF
RBC Canadian Short-Term Income GIF	RBC U.S. Equity GIF
RBC Bond GIF	RBC O'Shaughnessy U.S. Value GIF
RBC Balanced GIF	RBC U.S. Mid-Cap Equity GIF
RBC Canadian Dividend GIF	RBC Global Titans GIF
RBC Canadian Equity GIF	RBC O'Shaughnessy International GIF

Portfolios:

RBC Conservative GIP	RBC Growth GIP
RBC Balanced GIP	RBC Aggressive Growth GIP

Both the funds and portfolios are collectively referred to in these financial statements as the "Funds". RBC Life Insurance Company is the sole issuer of the individual variable annuity contracts providing for investment in each Fund, and is guarantor of the guarantee provisions contained in these contracts. The underlying mutual funds available in these contracts are managed by RBC Asset Management Inc. and the portfolios are managed by RBC Life Insurance Company.

Some of the Funds will invest in units of only one underlying mutual fund managed by RBC Asset Management Inc., while others, referred to in these financial statements as "Portfolios", will invest in units of several underlying mutual funds.

The Funds commenced with a net asset value of \$10 per unit. In the financial statements, "period" represents inception on September 18, 2006 to December 31, 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies:

a) Investments

The investments in underlying funds are valued on each business date at their published closing net asset value. Investment transactions are accounted for on the trade date. Realized gains and losses on sales of investments and unrealized appreciation or depreciation in value of investments are calculated on an average cost basis.

b) Income recognition

Distributions from investments are recorded when declared by the underlying fund. Interest income is accrued on a daily basis.

c) Net Asset Value per Unit

Net asset value per unit is computed by dividing the net assets attributable to a series of units on a business day by the total number of units of the series outstanding on that day.

d) Net Income per unit

Net income per unit in the Statements of Operations represents the increase (decrease) in net assets from operations attributable to the series for the period, divided by the number of units outstanding at the end of the period.

e) Use of Estimates

These financial statements are prepared in accordance with Canadian generally accepted accounting principles, and include estimates and assumptions by management that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

f) Expenses of Funds

Each Fund is responsible for the payment of the fees and expenses related to the operation of that Fund. Such fees and expenses include custodian fees, management fees, audit fees, bank charges, interest, brokerage on securities transactions and all indirect taxes.

g) Income taxes

Each Fund is deemed to be an inter-vivos trust under the provisions of the Income Tax Act (Canada) and is deemed to have allocated its income to the contract holders. Each Fund's net capital gains (losses) are deemed to be those of the contract holders. Accordingly, each Fund is not subject to income tax on its net income, including net realized capital gains.

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

3. SUMMARY OF SALES AND REDEMPTIONS OF UNITS

Units of the Fund series, which are redeemable at the option of the holder in accordance with the provision of Information Folder, do not have any nominal value or par value and the number of units, which may be issued, is unlimited. Units are issued or redeemed on a daily basis at the net asset value per unit next determined after the purchase order or redemption request.

	Series	Purchases during the period	Redemptions during the period	Balance end of period
RBC Canadian Money Market GIF	Series 1	24,485	(991)	23,494
RBC Canadian Short-Term Income GIF	Series 1	500	–	500
RBC Bond GIF	Series 1	4,134	(1,747)	2,387
RBC Balanced GIF	Series 1	165,758	(25,739)	140,019
RBC Canadian Dividend GIF	Series 1	166,675	(37)	166,638
RBC Canadian Equity GIF	Series 1	15,450	–	15,450
RBC North American Growth GIF	Series 1	8,538	–	8,538
RBC U.S. Equity GIF	Series 1	863	–	863
RBC O'Shaughnessy U.S. Value GIF	Series 1	39,681	–	39,681
RBC U.S. Mid-Cap Equity GIF	Series 1	500	–	500
RBC Global Titans GIF	Series 1	3,227	–	3,227
RBC O'Shaughnessy International Equity GIF	Series 1	46,390	–	46,390
RBC Conservative GIF	Series 1	5,352	–	5,352
	Series 2	25,739	–	25,739
RBC Balanced GIF	Series 1	80,600	(71)	80,529
	Series 2	133,009	(178)	132,831
RBC Growth GIF	Series 1	22,424	–	22,424
	Series 2	65,847	–	65,847
RBC Aggressive Growth GIF	Series 1	2,002	–	2,002
	Series 2	23,479	–	23,479

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

4. MANAGEMENT FEES AND INSURANCE FEES

Each Fund pays a management fee and an insurance fee for the management of the Fund and for providing the benefits under the contracts. Management and insurance fees differ from Fund to Fund and between Series and are stated as an annualized percentage of the daily market value of the net assets of the Fund attributed to that Series.

Management and insurance fees are calculated and accrued at the end of each valuation date using a daily factor of the annualized management and insurance fee percentages. Management and insurance fees are reimbursed monthly to the manager.

The annual management and insurance fee percentages and insurance fee limits for each series of each Fund are set out below.

Fund	Annual Management Fee (%)		Annual Insurance Fee (and Limit) (%)	
	Series 1	Series 2	Series 1	Series 2
RBC Canadian Money Market GIF	1.00	n/a	0.10(0.60)	n/a
RBC Canadian Short-Term Income GIF	1.60	n/a	0.15(0.65)	n/a
RBC Bond GIF	1.60	n/a	0.15(0.65)	n/a
RBC Balanced GIF	2.25	n/a	0.30(0.80)	n/a
RBC Canadian Dividend GIF	2.25	n/a	0.30(0.80)	n/a
RBC Canadian Equity GIF	2.25	n/a	0.55(1.05)	n/a
RBC North American Growth GIF	2.25	n/a	0.55(1.05)	n/a
RBC U.S. Equity GIF	2.30	n/a	0.65(1.15)	n/a
RBC O'Shaughnessy U.S. Value GIF	2.30	n/a	0.65(1.15)	n/a
RBC U.S. Mid-Cap Equity GIF	2.30	n/a	0.65(1.15)	n/a
RBC Global Titans GIF	2.40	n/a	0.70(1.20)	n/a
RBC O'Shaughnessy International Equity GIF	2.40	n/a	0.70(1.20)	n/a
RBC Conservative GIP	2.10	2.20	0.20(0.70)	0.30(0.80)
RBC Balanced GIP	2.20	2.30	0.30(0.80)	0.40(0.90)
RBC Growth GIP	2.25	2.35	0.50(1.00)	0.60(1.10)
RBC Aggressive Growth GIP	2.35	2.40	0.65(1.15)	0.85(1.35)

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

5. OTHER EXPENSES ABSORBED BY MANAGER

In addition to the management and insurance fees, the Funds also bear all operating and administrative expenses including legal and audit fees. The management expense ratio (“MER”) is all of the expenses of the Fund expressed as a percentage of the Fund’s average net asset value.

The RBC Life Insurance Company absorbed/waived certain expenses of the Funds when the aggregate expenses exceeded a certain percentage (“MER cap”) of the average daily net asset value of each Series of the Funds. Included in Due from RBC Life Insurance Company, in the statements of Net Assets, are balances of expenses absorbed by RBC Life Insurance Company. The MER of a Fund is subject to change without prior notification.

The annualized MER cap for each of the Funds is listed below:

Fund	Annualized MER cap	Expense before waiver	MER before waiver	Expense after waiver	MER after waiver
RBC Canadian Money Market GIF	1.10%	4,913	52.98%	102	1.10%
RBC Canadian Short-Term Income GIF	1.75%	4,810	336.64%	25	1.75%
RBC Bond GIF	1.75%	4,873	94.75%	90	1.75%
RBC Balanced GIF	2.55%	7,553	6.75%	2,855	2.55%
RBC Canadian Dividend GIF	2.55%	8,971	5.29%	4,325	2.55%
RBC Canadian Equity GIF	2.80%	5,104	43.70%	327	2.80%
RBC North American Growth GIF	2.80%	4,990	66.85%	209	2.80%
RBC U.S. Equity GIF	2.95%	4,844	238.16%	60	2.95%
RBC O’Shaughnessy U.S. Value GIF	2.95%	5,847	15.78%	1,093	2.95%
RBC U.S. Mid-Cap Equity GIF	2.95%	4,829	323.73%	44	2.95%
RBC Global Titans GIF	3.10%	4,851	222.44%	67	3.10%
RBC O’Shaughnessy International Equity GIF	3.10%	6,160	13.44%	1,421	3.10%
RBC Conservative GIP, Series 1	2.30%	2,845	32.72%	200	2.30%
RBC Balanced GIP, Series 1	2.50%	5,181	8.36%	1,550	2.50%
RBC Growth GIP, Series 1	2.75%	3,487	16.68%	575	2.75%
RBC Aggressive Growth GIP, Series 1	3.00%	2,386	67.53%	106	3.00%
RBC Conservative GIP, Series 2	2.50%	3,711	21.63%	429	2.50%
RBC Balanced GIP, Series 2	2.70%	5,124	7.05%	1,963	2.70%
RBC Growth GIP, Series 2	2.95%	4,331	11.96%	1,068	2.95%
RBC Aggressive Growth GIP, Series 2	3.25%	4,119	25.65%	522	3.25%

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

6. SCHEDULE OF INVESTED ASSETS

	Number of units	Cost	% Fund Owned	Market Value	Market value per Unit
RBC Canadian Money Market GIF					
RBC Canadian Money Market Fund, Series O	23,450	\$234,503	0.0064	\$234,503	\$10.00
RBC Canadian Short-Term Income GIF					
RBC Canadian Short-Term Income Fund, Series O	37,134	\$5,068	0.0003	\$5,059	\$10.72
RBC Bond GIF					
RBC Bond Fund, Series O	3,561	\$21,983	0.0007	\$22,029	\$6.19
RBC Balanced GIF					
RBC Balanced Fund, Series O	115,019	\$1,529,600	0.0169	\$1,481,564	\$12.88
RBC Canadian Dividend GIF					
RBC Canadian Dividend Fund, Series O	37,134	\$1,777,058	0.0215	\$1,803,121	\$48.56
RBC Canadian Equity GIF					
RBC Canadian Equity Fund, Series O	6,200	\$167,978	0.0036	\$168,755	\$27.22
RBC North American Growth GIF					
RBC North American Growth Fund, Series O	3,414	\$98,178	0.0076	\$91,686	\$26.86
RBC U.S. Equity GIF					
RBC U.S. Equity Fund, Series O	377	\$8,798	0.0005	\$9,541	\$25.34
RBC O'Shaughnessy U.S. Value GIF					
RBC O'Shaughnessy U.S. Value Fund, Series O	30,876	\$431,309	0.0377	\$423,959	\$13.73
RBC U.S. Mid-Cap Equity GIF					
RBC U.S. Mid-Cap Equity Fund, Series O	284	\$5,001	0.0023	\$5,658	\$19.95
RBC Global Titans GIF					
RBC Global Titans Fund, Series O	2,805	\$33,220	0.0128	\$34,092	\$12.16
RBC O'Shaughnessy International Equity GIF					
RBC O'Shaughnessy International Equity Fund, Series O	38,971	\$505,588	0.0453	\$536,549	\$13.77
RBC Conservative GIF					
RBC Bond Fund, Series O	21,062	\$130,995	0.0042	\$130,276	\$6.19
RBC Canadian Dividend Fund, Series O	1,087	52,435	0.0006	52,804	\$48.56
RBC Canadian Money Market Fund, Series O	654	6,541	0.0002	6,541	\$10.00
RBC Canadian Short-Term Income Fund, Series O	5,181	55,736	0.0032	55,542	\$10.72
RBC Global Titans Fund, Series O	1,092	12,753	0.0050	13,271	\$12.16
RBC O'Shaughnessy International Equity Fund, Series O	2,190	28,475	0.0025	30,148	\$13.77
RBC O'Shaughnessy U.S. Value Fund, Series O	1,188	16,532	0.0015	16,317	\$13.73
RBC U.S. Equity Fund, Series O	914	22,465	0.0011	23,151	\$25.34
		\$325,932		\$328,050	

RBC INSURANCE GUARANTEED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

6. SCHEDULE OF INVESTED ASSETS (CONTINUED)

	Number of units	Cost	% Fund Owned	Market Value	Market value per Unit
RBC Balanced GIP					
RBC Bond Fund, Series O	101,439	\$630,134	0.0202	\$627,432	\$6.19
RBC Canadian Dividend Fund, Series O	3,506	169,582	0.0020	170,233	\$48.56
RBC Canadian Equity Fund, Series O	6,289	171,761	0.0037	171,159	\$27.22
RBC Canadian Money Market Fund, Series O	4,191	41,913	0.0012	41,913	\$10.00
RBC Canadian Short-Term Income Fund, Series O	15,638	168,142	0.0097	167,648	\$10.72
RBC Global Titans Fund, Series O	19,029	224,823	0.0087	231,312	\$12.16
RBC North American Growth Fund, Series O	3,297	94,714	0.0073	88,547	\$26.86
RBC O'Shaughnessy International Equity Fund, Series O	15,366	202,493	0.0179	211,559	\$13.77
RBC U.S. Equity Fund, Series O	10,788	268,352	0.0133	273,349	\$25.34
RBC U.S. Mid-Cap Equity Fund, Series O	6,314	124,372	0.0508	125,967	\$19.95
		\$2,096,286		\$2,109,119	
RBC Growth GIP					
RBC Bond Fund, Series O	29,521	\$183,131	0.0059	\$182,597	\$6.19
RBC Canadian Dividend Fund, Series O	760	36,707	0.0004	36,904	\$48.56
RBC Canadian Equity Fund, Series O	4,763	129,608	0.0028	129,641	\$27.22
RBC Canadian Money Market Fund, Series O	1,831	18,306	0.0005	18,306	\$10.00
RBC Canadian Short-Term Income Fund, Series O	1,707	18,347	0.0011	18,301	\$10.72
RBC Global Titans Fund, Series O	8,296	97,542	0.0379	100,841	\$12.16
RBC North American Growth Fund, Series O	2,490	70,280	0.0055	66,892	\$26.86
RBC O'Shaughnessy International Equity Fund, Series O	10,024	131,094	0.0117	138,014	\$13.77
RBC U.S. Equity Fund, Series O	4,698	116,390	0.0058	119,045	\$25.34
RBC U.S. Mid-Cap Equity Fund, Series O	5,487	107,597	0.0441	109,455	\$19.95
		\$909,002		\$919,996	
RBC Aggressive Growth GIP					
RBC Canadian Dividend Fund, Series O	294	\$14,132	0.0002	\$14,255	\$48.56
RBC Canadian Equity Fund, Series O	1,899	51,508	0.0011	51,681	\$27.22
RBC Canadian Money Market Fund, Series O	561	5,606	0.0002	5,606	\$10.00
RBC Global Titans Fund, Series O	2,073	24,119	0.0095	25,199	\$12.16
RBC North American Growth Fund, Series O	1,231	34,662	0.0027	33,060	\$26.86
RBC O'Shaughnessy International Equity Fund, Series O	5,103	65,996	0.0059	70,257	\$13.77
RBC U.S. Equity Fund, Series O	1,656	40,690	0.0020	41,969	\$25.34
RBC U.S. Mid-Cap Equity Fund, Series O	2,104	40,980	0.0169	41,976	\$19.95
		\$277,693		\$284,003	

RBC Insurance, through its operating entities, including RBC Life Insurance Company, provides a wide range of creditor, life, health, travel, home, auto, and reinsurance products to more than five million North American customers. As one of the leading life insurance producers in Canada, RBC Life Insurance Company offers individual and group life and health insurance solutions, including term life insurance, universal life policies, group benefits, critical illness insurance and long term care insurance. These products are distributed through more than 17,000 independent brokers affiliated with producer groups, financial planning firms and stock brokerage firms, as well as through direct sales and a network of career sales representatives.

