

RBC GUARANTEED INVESTMENT FUNDS

UNAUDITED FINANCIAL STATEMENTS

June 30, 2009



RBC Insurance®



Table of Contents

Financial Statements

Total — All Funds and Portfolios	1
Individual Funds and Portfolios	2-25
Notes to the Financial Statements	26-35

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

Total — All Funds and Portfolios

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 1,016,135	\$ 845,248
Realized gains (losses) on sale of investments	(977,973)	(203,785)
Increase (decrease) in unrealized appreciation of investments	8,280,023	(1,537,421)
	8,318,185	(895,958)
Expenses		
Management fees	601,354	495,368
Insurance fees	185,384	162,670
Other administrative expenses	481,455	426,817
	1,268,193	1,084,855
Net Income (Loss)	\$ 7,049,992	\$ (1,980,813)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 114,136,025	\$ 100,389,892
Cash	425,532	18,873
Accrued income distribution from investments	427,309	22,827
Prepaid expenses	14,711	-
Due from RBC Life Insurance Company	703,237	969,768
	115,706,814	101,401,360
Liabilities		
Bank indebtedness	2,968	15,063.00
Management fee payable	786,327	1,107,235
Insurance fee payable	242,028	362,732
Accounts payable and accrued liabilities	413,475	461,481
	1,444,798	1,946,511
Unitholders' equity	\$ 114,262,016	\$ 99,454,849

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 99,454,849	\$ 72,962,973
Premium deposits	24,143,209	42,222,925
Net income (loss)	7,049,992	(1,980,813)
	130,648,050	113,205,085
Less		
Withdrawals	16,373,034	15,517,036
	16,373,034	15,517,036
Net Assets, end of the year	\$ 114,275,016	\$ 97,688,048

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Canadian Money Market GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 65,130	\$ 62,723
	65,130	62,723
Expenses		
Management fees	16,257	6,140
Insurance fees	3,695	1,395
Other administrative expenses	20,691	7,856
	40,643	15,391
Net Income (Loss)	\$ 24,487	\$ 47,332
Net income (loss) per unit	\$ 0.03	\$ 0.24

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 8,566,773	\$ 8,111,728
Cash	13,526	-
Accrued income distribution from investments	186	22,827
Prepaid expenses	612	-
Due from RBC Life Insurance Company	32,370	47,662
	8,613,467	8,182,217
Liabilities		
Management fee payable	21,567	17,458
Insurance fee payable	4,902	3,968
Accounts payable and accrued liabilities	13,790	14,980
	40,259	36,406
Unitholders' equity	\$ 8,573,208	\$ 8,145,811
Net asset value per unit	\$ 10.81	\$ 10.77

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 8,145,811	\$ 8,743,597
Premium deposits	4,821,254	2,990,322
Net income (loss)	24,487	47,332
	12,991,552	11,781,251
Less		
Withdrawals	4,418,344	9,700,616
	4,418,344	9,700,616
Net Assets, end of the year	\$ 8,573,208	\$ 2,080,636
Number of units outstanding	793,275	195,487

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Canadian Short-Term Income GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 66,545	\$ 47,146
Realized gains (losses) on sale of investments	23,121	3
Increase (decrease) in unrealized appreciation of investments	(23,500)	(21,914)
	66,166	25,235
Expenses		
Management fees	10,506	6,829
Insurance fees	2,251	1,463
Other administrative expenses	13,508	8,827
	26,265	17,119
Net Income (Loss)	\$ 39,901	\$ 8,116
Net income (loss) per unit	\$ 0.15	\$ 0.08

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 2,908,854	\$ 2,635,520
Cash	7,194	-
Accrued income distribution from investments	10,526	-
Prepaid expenses	612	-
Due from RBC Life Insurance Company	23,408	21,725
	2,950,594	2,657,245
Liabilities		
Management fee payable	14,058	16,936
Insurance fee payable	3,012	3,629
Accounts payable and accrued liabilities	12,707	14,426
	29,777	34,991
Unitholders' equity	\$ 2,920,817	\$ 2,622,254
Net asset value per unit	\$ 10.92	\$ 10.80

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 2,622,254	\$ 44,400
Premium deposits	1,611,659	2,421,337
Net income (loss)	39,901	8,116
	4,273,814	2,473,853
Less		
Withdrawals	1,352,997	14,782
	1,352,997	14,782
Net Assets, end of the year	\$ 2,920,817	\$ 2,459,071
Number of units outstanding	267,408	236,938

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Bond GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 130,906	\$ 96,731
Realized gains (losses) on sale of investments	(41,342)	271
Increase (decrease) in unrealized appreciation of investments	194,852	(41,550)
	284,416	55,452
Expenses		
Management fees	15,443	10,465
Insurance fees	3,357	2,275
Other administrative expenses	20,367	13,874
	39,167	26,614
Net Income (Loss)	\$ 245,249	\$ 28,838
Net income (loss) per unit	\$ 0.77	\$ 0.08

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 3,406,141	\$ 4,968,139
Cash	6,712	200
Accrued income distribution from investments	44,259	-
Prepaid expenses	612	-
Due from RBC Life Insurance Company	19,734	21,286
	3,477,458	4,989,625
Liabilities		
Management fee payable	20,650	25,426
Insurance fee payable	4,489	5,528
Accounts payable and accrued liabilities	14,251	16,123
	39,390	47,077
Unitholders' equity	\$ 3,438,068	\$ 4,942,548
Net asset value per unit	\$ 10.83	\$ 10.22

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 4,942,548	\$ 799,105
Premium deposits	374,414	3,124,653
Net income (loss)	245,249	28,838
	5,562,211	932,596
Less		
Withdrawals	2,124,143	26,739
	2,124,143	26,739
Net Assets, end of the year	\$ 3,438,068	\$ 3,905,858
Number of units outstanding	317,463	375,857

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Global Bond GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 29,147	\$ 28,832
Realized gains (losses) on sale of investments	326	(208)
Increase (decrease) in unrealized appreciation of investments	(13,616)	(42,532)
	15,857	(13,908)
Expenses		
Management fees	5,634	105
Insurance fees	1,965	36
Other administrative expenses	6,157	11,047
	13,756	11,188
Net Income (Loss)	\$ 2,101	\$ (25,096)
Net income (loss) per unit	\$ 0.03	\$ (0.18)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 712,384	\$ 1,588,869
Cash	3,363	-
Accrued income distribution from investments	6,770	-
Prepaid expenses	612	-
Due from RBC Life Insurance Company	26,800	30,690
	749,929	1,619,559
Liabilities		
Management fee payable	7,852	9,677
Insurance fee payable	2,741	3,377
Accounts payable and accrued liabilities	13,652	15,399
	24,245	28,453
Unitholders' equity	\$ 725,684	\$ 1,591,106
Net asset value per unit	\$ 10.63	\$ 10.56

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 1,591,106	\$ 5,111
Premium deposits	182,283	1,448,404
Net income (loss)	2,101	(25,096)
	1,775,490	1,428,419
Less		
Withdrawals	1,049,806	7,717
	1,049,806	
Net Assets, end of the year	\$ 725,684	\$ 1,420,703
Number of units outstanding	68,279	140,831

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Balanced GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 303	\$ 1,099
Realized gains (losses) on sale of investments	(127,662)	(2,938)
Increase (decrease) in unrealized appreciation of investments	1,311,488	86,126
	1,184,129	84,287
Expenses		
Management fees	101,587	68,128
Insurance fees	23,809	15,968
Other administrative expenses	76,984	52,000
	202,380	136,096
Net Income (Loss)	\$ 981,749	\$ (51,809)
Net income (loss) per unit	\$ 0.52	\$ (0.04)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 17,615,908	\$ 14,764,759
Cash	56,264	1,281
Prepaid expenses	612	-
Due from RBC Life Insurance Company	13,085	19,428
	17,685,869	14,785,468
Liabilities		
Management fee payable	133,636	174,106
Insurance fee payable	31,321	40,806
Accounts payable and accrued liabilities	38,936	42,813
	203,893	257,725
Unitholders' equity	\$ 17,481,976	\$ 14,527,743
Net asset value per unit	\$ 9.26	\$ 8.75

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 14,527,743	\$ 7,171,010
Premium deposits	2,865,613	8,363,896
Net income (loss)	981,749	(51,809)
	18,375,105	15,483,097
Less		
Withdrawals	893,129	305,051
	893,129	305,051
Net Assets, end of the year	\$ 17,481,976	\$ 15,178,045
Number of units outstanding	1,888,210	1,397,502

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Balanced Growth GIF

Statement of Operations	Period from January 1 to June 30, 2009
Income	
Distribution from underlying funds	\$ 16
Realized gains (losses) on sale of investments	(256)
Increase (decrease) in unrealized appreciation of investments	15,583
	<u>15,343</u>
Expenses	
Management fees	1,549
Insurance fees	352
Other administrative expenses	1,151
	<u>3,052</u>
Net Income (Loss)	\$ 12,291
Net income (loss) per unit	<u>\$ 0.30</u>

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 369,382	\$ 107,563
Cash	356	-
Prepaid expenses	612	-
Due from RBC Life Insurance Company	31,850	9,784
	<u>402,200</u>	<u>117,347</u>
Liabilities		
Management fee payable	1,614	70
Insurance fee payable	367	16
Accounts payable and accrued liabilities	8,600	7,321
	<u>10,581</u>	<u>7,407</u>
Unitholders' equity	\$ 391,619	\$ 109,940
Net asset value per unit	<u>\$ 9.49</u>	<u>\$ 9.25</u>

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009
Net assets, beginning of period	\$ 109,940
Premium deposits	366,289
Net income (loss)	12,291
	<u>488,520</u>
Less	
Withdrawals	96,901
	<u>96,901</u>
Net Assets, end of the year	\$ 391,619
Number of units outstanding	<u>41,285</u>

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Canadian Dividend GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 395,192	\$ 273,235
Realized gains (losses) on sale of investments	(189,897)	(85,624)
Increase (decrease) in unrealized appreciation of investments	<u>3,252,950</u>	<u>(12,981)</u>
	3,458,245	174,630
Expenses		
Management fees	140,570	124,905
Insurance fees	32,946	29,275
Other administrative expenses	<u>106,527</u>	<u>95,337</u>
	280,043	249,517
Net Income (Loss)	\$ 3,178,202	\$ (74,887)
Net income (loss) per unit	\$ 1.12	\$ (0.04)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 25,762,877	\$ 20,480,732
Cash	80,276	263
Accrued income distribution from investments	215,860	
Prepaid expenses	611	-
Due from RBC Life Insurance Company	<u>54,883</u>	<u>97,836</u>
	26,114,507	20,578,831
Liabilities		
Management fee payable	181,089	265,831
Insurance fee payable	42,443	62,304
Accounts payable and accrued liabilities	<u>50,866</u>	<u>57,182</u>
	274,398	385,317
Unitholders' equity	\$ 25,840,109	\$ 20,193,514
Net asset value per unit	\$ 9.11	\$ 7.98

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 20,193,514	\$ 16,003,343
Premium deposits	3,556,994	9,173,044
Net income (loss)	<u>3,178,202</u>	<u>(74,887)</u>
	26,928,710	25,101,500
Less		
Withdrawals	<u>1,088,601</u>	<u>1,985,519</u>
	1,088,601	1,985,519
Net Assets, end of the year	\$ 25,840,109	\$ 23,115,979
Number of units outstanding	2,835,700	2,111,295

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Canadian Equity GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 51	\$ 246
Realized gains (losses) on sale of investments	(129,510)	(5,574)
Increase (decrease) in unrealized appreciation of investments	873,718	272,187
	744,259	266,859
Expenses		
Management fees	28,551	25,497
Insurance fees	12,365	11,042
Other administrative expenses	22,031	19,829
	62,947	56,368
Net Income (Loss)	\$ 681,312	\$ 210,491
Net income (loss) per unit	\$ 1.21	\$ 0.50

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 5,140,046	\$ 4,341,462
Cash	46,566	18
Prepaid expenses	612	-
Due from RBC Life Insurance Company	50,879	59,142
	5,238,103	4,400,622
Liabilities		
Management fee payable	37,098	56,402
Insurance fee payable	16,066	24,426
Accounts payable and accrued liabilities	15,681	16,272
	68,845	97,100
Unitholders' equity	\$ 5,169,258	\$ 4,303,522
Net asset value per unit	\$ 9.16	\$ 7.95

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 4,303,522	\$ 3,469,566
Premium deposits	594,927	1,862,588
Net income (loss)	681,312	210,491
	5,579,761	5,542,645
Less		
Withdrawals	410,503	203,400
	410,503	203,400
Net Assets, end of the year	\$ 5,169,258	\$ 5,339,245
Number of units outstanding	564,196	420,659

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC O'Shaughnessy All Canadian Equity GIF

Statement of Operations	Period from January 1 to June 30, 2009
Income	
Distribution from underlying funds	\$ 3
Realized gains (losses) on sale of investments	1,340
Increase (decrease) in unrealized appreciation of investments	8,065
	<u>9,408</u>
Expenses	
Management fees	740
Insurance fees	311
Other administrative expenses	559
	<u>1,610</u>
Net Income (Loss)	\$ 7,798
Net income (loss) per unit	\$ 0.41

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 130,494	\$ 82,176
Cash	744	-
Prepaid expenses	612	-
Due from RBC Life Insurance Company	32,373	9,791
	<u>164,223</u>	<u>91,967</u>
Liabilities		
Management fee payable	795	60
Insurance fee payable	334	25
Accounts payable and accrued liabilities	8,558	7,321
	<u>9,687</u>	<u>7,406</u>
Unitholders' equity	\$ 154,536	\$ 84,561
Net asset value per unit	\$ 8.20	\$ 8.05

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 84,561	\$ 84,561
Premium deposits	90,643	
Net income (loss)	7,798	
	<u>183,002</u>	<u>84,561</u>
Less		
Withdrawals	28,466	
	<u>28,466</u>	<u>-</u>
Net Assets, end of the year	\$ 154,536	\$ 84,561
Number of units outstanding	18,838	

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC North American Growth GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 21	\$ 124
Realized gains (losses) on sale of investments	(49,908)	(1,658)
Increase (decrease) in unrealized appreciation of investments	178,063	18,382
	128,176	16,848
Expenses		
Management fees	7,478	5,934
Insurance fees	3,239	2,570
Other administrative expenses	5,770	4,615
	16,487	13,119
Net Income (Loss)	\$ 111,689	\$ 3,729
Net income (loss) per unit	\$ 0.74	\$ 0.03

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 1,289,096	\$ 1,146,972
Cash	-	100
Prepaid expenses	612	-
Due from RBC Life Insurance Company	40,315	51,893
	1,330,023	1,198,965
Liabilities		
Bank indebtedness	2,968	
Management fee payable	9,827	13,901
Insurance fee payable	4,256	6,020
Accounts payable and accrued liabilities	14,352	16,211
	31,403	36,132
Unitholders' equity	\$ 1,298,620	\$ 1,162,833
Net asset value per unit	\$ 8.58	\$ 7.80

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 1,162,833	\$ 782,678
Premium deposits	127,312	641,052
Net income (loss)	111,689	3,729
	1,401,834	1,427,459
Less		
Withdrawals	103,214	65,972
	103,214	65,972
Net Assets, end of the year	\$ 1,298,620	\$ 1,361,489
Number of units outstanding	151,329	114,109

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC North American Dividend GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 4,288	\$ 1,437
Realized gains (losses) on sale of investments	(7,307)	(28)
Increase (decrease) in unrealized appreciation of investments	11,581	(8,013)
	8,562	(6,604)
Expenses		
Management fees	1,988	84
Insurance fees	828	35
Other administrative expenses	1,477	1,257
	4,293	1,376
Net Income (Loss)	\$ 4,269	\$ (7,980)
Net income (loss) per unit	\$ 0.09	\$ (0.38)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 318,090	\$ 283,024
Cash	997	-
Accrued income distribution from investments	2,472	-
Prepaid expenses	612	-
Due from RBC Life Insurance Company	34,067	42,868
	356,238	325,892
Liabilities		
Management fee payable	2,650	2,290
Insurance fee payable	1,104	959
Accounts payable and accrued liabilities	12,435	14,046
	16,189	17,295
Unitholders' equity	\$ 340,049	\$ 308,597
Net asset value per unit	\$ 7.47	\$ 7.40

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 308,597	\$ 44,143
Premium deposits	27,343	172,309
Net income (loss)	4,269	(7,980)
	340,209	208,472
Less		
Withdrawals	160	14,497
	160	14,497
Net Assets, end of the year	\$ 340,049	\$ 193,976
Number of units outstanding	45,535	21,051

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC U.S. Equity GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 5	\$ 14
Realized gains (losses) on sale of investments	(2,429)	(772)
Increase (decrease) in unrealized appreciation of investments	7,463	\$ (7,077)
	<u>5,039</u>	<u>(7,835)</u>
Expenses		
Management fees	1,112	746
Insurance fees	556	373
Other administrative expenses	856	579
	<u>2,524</u>	<u>1,698</u>
Net Income (Loss)	\$ 2,515	\$ (9,533)
Net income (loss) per unit	<u>\$ 0.10</u>	<u>\$ (0.69)</u>

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 184,408	\$ 123,560
Cash	7,633	-
Prepaid expenses	612	-
Due from RBC Life Insurance Company	31,518	39,068
	<u>224,171</u>	<u>162,628</u>
Liabilities		
Management fee payable	1,315	1,580
Insurance fee payable	805	888
Accounts payable and accrued liabilities	12,146	13,741
	<u>14,266</u>	<u>16,209</u>
Unitholders' equity	\$ 209,905	\$ 146,419
Net asset value per unit	<u>\$ 8.12</u>	<u>\$ 8.12</u>

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 146,419	\$ 111,747
Premium deposits	60,971	43,454
Net income (loss)	2,515	(9,533)
	<u>209,905</u>	<u>145,668</u>
Less		
Withdrawals	-	8,795
	<u>-</u>	<u>8,795</u>
Net Assets, end of the year	\$ 209,905	\$ 136,873
Number of units outstanding	<u>25,844</u>	<u>13,791</u>

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC O'Shaughnessy U.S. Value GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 31,099	\$ 23,036
Realized gains (losses) on sale of investments	(98,715)	(25,880)
Increase (decrease) in unrealized appreciation of investments	56,138	(317,033)
	<u>(11,478)</u>	<u>(319,877)</u>
Expenses		
Management fees	9,662	13,107
Insurance fees	4,831	6,554
Other administrative expenses	7,432	10,164
	<u>21,925</u>	<u>29,825</u>
Net Income (Loss)	\$ (33,403)	\$ (349,702)
Net income (loss) per unit	\$ (0.11)	\$ (1.45)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 1,610,004	\$ 1,545,272
Cash	4,421	450
Accrued income distribution from investments	12,334	
Prepaid expenses	612	-
Due from RBC Life Insurance Company	50,221	77,427
	<u>1,677,592</u>	<u>1,623,149</u>
Liabilities		
Management fee payable	12,425	24,710
Insurance fee payable	6,213	12,355
Accounts payable and accrued liabilities	25,975	28,725
	<u>44,613</u>	<u>65,790</u>
Unitholders' equity	\$ 1,632,979	\$ 1,557,359
Net asset value per unit	\$ 5.36	\$ 5.52

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 1,557,359	\$ 1,963,414
Premium deposits	197,169	515,249
Net income (loss)	(33,403)	(349,702)
	<u>1,721,125</u>	<u>2,128,961</u>
Less		
Withdrawals	88,146	127,914
	<u>88,146</u>	<u>127,914</u>
Net Assets, end of the year	\$ 1,632,979	\$ 2,001,048
Number of units outstanding	304,601	240,433

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC U.S. Mid-Cap Equity GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 2	14
Realized gains (losses) on sale of investments	(5,797)	(3,697)
Increase (decrease) in unrealized appreciation of investments	6,920	\$ (839)
	1,125	(4,522)
Expenses		
Management fees	416	458
Insurance fees	210	231
Other administrative expenses	325	361
	951	1,050
Net Income (Loss)	\$ 174	\$ (5,572)
Net income (loss) per unit	\$ 0.02	\$ (0.75)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 74,037	\$ 41,106
Cash	232	-
Prepaid expenses	612	-
Due from RBC Life Insurance Company	31,435	38,932
	106,316	80,038
Liabilities		
Management fee payable	555	915
Insurance fee payable	280	461
Accounts payable and accrued liabilities	11,861	13,467
	12,696	14,843
Unitholders' equity	\$ 93,620	\$ 65,195
Net asset value per unit	\$ 8.28	\$ 8.29

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 65,195	\$ 70,132
Premium deposits	30,600	23,624
Net income (loss)	174	(5,572)
	95,969	88,184
Less		
Withdrawals	2,349	13,869
	2,349	13,869
Net Assets, end of the year	\$ 93,620	\$ 74,314

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Global Dividend Growth GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 23	\$ 36
Realized gains (losses) on sale of investments	(27,828)	(6,616)
Increase (decrease) in unrealized appreciation of investments	54,408	(16,932)
	26,603	(23,512)
Expenses		
Management fees	4,949	2,517
Insurance fees	2,510	1,277
Other administrative expenses	3,658	1,876
	11,117	5,670
Net Income (Loss)	\$ 15,486	\$ (29,182)
Net income (loss) per unit	\$ 0.14	\$ (0.63)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 802,608	\$ 677,201
Cash	2,011	200
Prepaid expenses	612	-
Due from RBC Life Insurance Company	33,833	44,597
	839,064	721,998
Liabilities		
Management fee payable	6,165	5,820
Insurance fee payable	3,041	2,952
Accounts payable and accrued liabilities	12,319	13,833
	21,525	22,605
Unitholders' equity	\$ 817,539	\$ 699,393
Net asset value per unit	\$ 7.46	\$ 7.39

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 699,393	\$ 335,006
Premium deposits	175,752	209,116
Net income (loss)	15,486	(29,182)
	890,631	514,940
Less		
Withdrawals	73,092	57,425
	73,092	57,425
Net Assets, end of the year	\$ 817,539	\$ 457,515
Number of units outstanding	109,604	46,434

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC O'Shaughnessy International Equity GIF

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 69	\$ 840
Realized gains (losses) on sale of investments	(86,623)	(54,918)
Increase (decrease) in unrealized appreciation of investments	64,708	(556,799)
	<u>(21,846)</u>	<u>(610,877)</u>
Expenses		
Management fees	23,950	29,820
Insurance fees	12,149	15,126
Other administrative expenses	17,702	22,224
	<u>53,801</u>	<u>67,170</u>
Net Income (Loss)	<u>\$ (75,647)</u>	<u>\$ (678,047)</u>
Net income (loss) per unit	<u>\$ (0.13)</u>	<u>\$ (1.40)</u>

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 3,882,740	\$ 3,832,186
Cash	35,341	963
Prepaid expenses	637	-
Due from RBC Life Insurance Company	60,222	102,664
	<u>3,978,940</u>	<u>3,935,813</u>
Liabilities		
Management fee payable	31,405	55,882
Insurance fee payable	15,931	28,346
Accounts payable and accrued liabilities	27,249	30,441
	<u>74,585</u>	<u>114,669</u>
Unitholders' equity	<u>\$ 3,904,355</u>	<u>\$ 3,821,144</u>
Net asset value per unit	<u>6.54</u>	<u>\$ 6.70</u>

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 3,821,144	\$ 4,343,232
Premium deposits	237,387	1,097,678
Net income (loss)	(75,647)	(678,047)
	<u>3,982,884</u>	<u>4,762,863</u>
Less		
Withdrawals	78,529	389,917
	<u>78,529</u>	<u>389,917</u>
Net Assets, end of the year	<u>\$ 3,904,355</u>	<u>\$ 4,372,944</u>
Number of units outstanding	<u>597,072</u>	<u>482,680</u>

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Select Conservative GIP, Series 1

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 41,642	\$ 47,570
Realized gains (losses) on sale of investments	(10,673)	(2,919)
Increase (decrease) in unrealized appreciation of investments	158,821	(122,826)
	189,790	(78,175)
Expenses		
Management fees	18,213	14,506
Insurance fees	3,195	2,545
Other administrative expenses	11,836	14,842
	33,244	31,893
Net Income (Loss)	\$ 156,546	\$ (110,068)
Net income (loss) per unit	\$ 0.49	\$ -0.36

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 3,044,491	\$ 3,317,837
Cash	5,325	3,639
Accrued income distribution from investments	19,798	-
Prepaid expenses	421	-
Due from RBC Life Insurance Company	12,685	22,551
	3,082,720	3,344,027
Liabilities		
Management fee payable	24,138	33,523
Insurance fee payable	4,235	5,881
Accounts payable and accrued liabilities	7,144	10,708
	35,517	50,112
Unitholders' equity	\$ 3,047,203	\$ 3,293,915
Net asset value per unit	\$ 9.61	\$ 9.16

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 3,293,915	\$ 2,346,752
Premium deposits	1,451,941	921,685
Net income (loss)	156,546	(110,068)
	4,902,402	3,158,369
Less		
Withdrawals	1,855,199	66,363
	1,855,199	66,363
Net Assets, end of the year	\$ 3,047,203	\$ 3,092,006
Number of units outstanding	316,966	303,527

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Select Conservative GIP, Series 2

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 79,223	\$ 29,378
Realized gains (losses) on sale of investments	(20,305)	(1,568)
Increase (decrease) in unrealized appreciation of investments	233,745	(30,957)
	292,663	(3,147)
Expenses		
Management fees	25,520	9,169
Insurance fees	6,125	2,201
Other administrative expenses	22,896	8,613
	54,541	19,983
Net Income (Loss)	\$ 238,122	\$ (23,130)
Net Income (loss) per unit	\$ 0.40	\$ (0.12)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 5,792,072	\$ 3,674,288
Cash	10,131	4,030
Accrued income distribution from investments	37,665	-
Prepaid expenses	802	-
Due from RBC Life Insurance Company	8,232	11,979
	5,848,902	3,690,297
Liabilities		
Management fee payable	31,274	25,147
Insurance fee payable	7,506	6,035
Accounts payable and accrued liabilities	12,919	11,339
	51,699	42,521
Unitholders' equity	\$ 5,797,203	\$ 3,647,776
Net asset value per unit	\$ 9.65	\$ 9.20

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 3,647,776	\$ 1,201,151
Premium deposits	2,187,926	916,159
Net income (loss)	238,122	(23,130)
	6,073,824	2,094,180
Less		
Withdrawals	276,621	180,475
	276,621	180,475
Net Assets, end of the year	\$ 5,797,203	\$ 1,913,708
Number of units outstanding	600,534	188,244

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Select Balanced GIP, Series 1

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 53,769	\$ 48,050
Realized gains (losses) on sale of investments	(39,520)	(11,009)
Increase (decrease) in unrealized appreciation of investments	294,157	(99,622)
	308,406	(62,581)
Expenses		
Management fees	33,915	23,294
Insurance fees	8,272	5,681
Other administrative expenses	22,198	21,971
	64,385	50,946
Net Income (Loss)	\$ 244,021	\$ (113,527)
Net income (loss) per unit	\$ 0.41	\$ (0.26)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 5,422,679	\$ 5,975,795
Cash	32,240	-
Accrued income distribution from investments	24,168	-
Prepaid expenses	381	-
Due from RBC Life Insurance Company	16,279	1,156
	5,495,747	5,976,951
Liabilities		
Bank indebtedness	-	5,762
Management fee payable	45,776	58,235
Insurance fee payable	11,165	14,204
Accounts payable and accrued liabilities	14,055	18,334
	70,996	96,535
Unitholders' equity	\$ 5,424,751	\$ 5,880,416
Net asset value per unit	\$ 9.07	\$ 8.67

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 5,880,416	\$ 3,785,047
Premium deposits	539,718	1,297,965
Net income (loss)	244,021	(113,527)
	6,664,155	4,969,485
Less		
Withdrawals	1,239,404	361,220
	1,239,404	361,220
Net Assets, end of the year	\$ 5,424,751	\$ 4,608,266
Number of units outstanding	597,798	444,510

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Select Balanced GIP, Series 2

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 118,519	\$ 115,319
Realized gains (losses) on sale of investments	(87,112)	(28,166)
Increase (decrease) in unrealized appreciation of investments	600,295	(214,934)
	631,702	(127,781)
Expenses		
Management fees	64,090	60,469
Insurance fees	19,569	18,464
Other administrative expenses	52,982	55,190
	136,641	134,123
Net Income (Loss)	\$ 495,061	\$ (261,904)
Net income (loss) per unit	\$ 0.37	\$ (0.25)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 11,952,753	\$ 9,645,814
Cash	71,064	-
Accrued income distribution from investments	53,271	-
Subscriptions receivable	13,000	-
Prepaid expenses	843	-
Due from RBC Life Insurance Company	7,085	58,545
	12,098,016	9,704,359
Liabilities		
Bank indebtedness	-	9,301
Management fee payable	84,654	130,846
Insurance fee payable	25,849	39,953
Accounts payable and accrued liabilities	30,251	32,453
	140,754	212,553
Unitholders' equity	\$ 11,957,262	\$ 9,491,806
Net asset value per unit	\$ 9.01	\$ 8.62

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 9,491,806	\$ 8,907,758
Premium deposits	2,586,522	2,792,732
Net income (loss)	495,061	(261,904)
	12,573,389	114,438,586
Less		
Withdrawals	616,127	779,682
	616,127	779,682
Net Assets, end of the year	\$ 11,957,262	\$ 10,658,904

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Select Growth GIP, Series 1

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 32	\$ 14,619
Realized gains (losses) on sale of investments	(1,092)	9,385
Increase (decrease) in unrealized appreciation of investments	159,053	(62,567)
	157,993	(38,563)
Expenses		
Management fees	14,403	13,247
Insurance fees	5,715	5,256
Other administrative expenses	11,113	11,676
	31,231	30,179
Net Income (Loss)	\$ 126,762	\$ (68,742)
Net income (loss) per unit	\$ 0.42	\$ (0.31)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 2,644,758	\$ 2,179,960
Cash	8,883	1,742
Prepaid expenses	287	-
Due from RBC Life Insurance Company	10,173	21,111
	2,664,101	2,202,813
Liabilities		
Management fee payable	18,728	27,518
Insurance fee payable	7,432	12,698
Accounts payable and accrued liabilities	8,245	9,605
	34,405	49,821
Unitholders' equity	\$ 2,629,696	\$ 2,152,992
Net asset value per unit	\$ 8.67	\$ 8.27

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 2,152,992	\$ 2,011,768
Premium deposits	419,736	632,484
Net income (loss)	126,762	(68,742)
	2,699,490	2,575,510
Less		
Withdrawals	69,794	266,714
	69,794	266,714
Net Assets, end of the year	\$ 2,629,696	\$ 2,308,796
Number of units outstanding	303,318	219,148

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Select Growth GIP, Series 2

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 103	\$ 49,106
Realized gains (losses) on sale of investments	(3,553)	30,291
Increase (decrease) in unrealized appreciation of investments	543,604	(222,102)
	540,154	(142,705)
Expenses		
Management fees	49,998	46,701
Insurance fees	22,058	20,603
Other administrative expenses	36,599	39,493
	108,655	106,797
Net Income (Loss)	\$ 431,499	\$ (249,502)
Net income (loss) per unit	\$ 0.43	\$ (0.33)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 8,609,858	\$ 6,992,134
Cash	28,916	5,587
Prepaid expenses	937	-
Due from RBC Life Insurance Company	42,307	87,848
	8,682,018	7,085,569
Liabilities		
Management fee payable	65,151	98,213
Insurance fee payable	28,986	49,638
Accounts payable and accrued liabilities	27,095	32,120
	121,232	179,971
Unitholders' equity	\$ 8,560,786	\$ 6,905,598
Net asset value per unit	\$ 8.62	\$ 8.23

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 6,905,598	\$ 6,549,201
Premium deposits	1,426,964	2,242,396
Net income (loss)	431,499	(249,502)
	8,764,061	8,542,095
Less		
Withdrawals	203,275	697,654
	203,275	697,654
Net Assets, end of the year	\$ 8,560,786	\$ 7,844,441
Number of units outstanding	993,147	747,300

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Select Aggressive Growth GIP, Series 1

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 5	\$ 406
Realized gains (losses) on sale of investments	(7,783)	(878)
Increase (decrease) in unrealized appreciation of investments	35,144	(13,997)
	<u>27,366</u>	<u>(14,469)</u>
Expenses		
Management fees	2,335	2,356
Insurance fees	1,124	1,134
Other administrative expenses	2,174	1,760
	<u>5,633</u>	<u>5,250</u>
Net Income (Loss)	\$ 21,733	\$ (19,719)
Net income (loss) per unit	\$ 0.41	\$ (0.56)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 414,007	\$ 332,437
Cash	355	34
Prepaid expenses	131	-
Due from RBC Life Insurance Company	2,874	2,421
	<u>417,367</u>	<u>334,892</u>
Liabilities		
Management fee payable	2,989	4,548
Insurance fee payable	1,439	2,190
Accounts payable and accrued liabilities	2,096	2,013
	<u>6,524</u>	<u>8,751</u>
Unitholders' equity	\$ 410,843	\$ 326,141
Net asset value per unit	\$ 7.74	\$ 7.39

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 326,141	\$ 342,924
Premium deposits	75,440	96,286
Net income (loss)	21,733	(19,719)
	<u>423,314</u>	<u>419,491</u>
Less		
Withdrawals	12,471	52,755
	<u>12,471</u>	<u>52,755</u>
Net Assets, end of the year	\$ 410,843	\$ 366,736
Number of units outstanding	53,064	35,069

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2009

RBC Select Aggressive Growth GIP, Series 2

Statement of Operations	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Income		
Distribution from underlying funds	\$ 42	\$ 5,287
Realized gains (losses) on sale of investments	(65,448)	(11,282)
Increase (decrease) in unrealized appreciation of investments	256,383	(121,441)
	190,977	(127,436)
Expenses		
Management fees	22,488	30,891
Insurance fees	13,952	19,166
Other administrative expenses	16,462	23,426
	52,902	73,483
Net Income (Loss)	\$ 138,075	\$ (200,919)
Net income (loss) per unit	\$ 0.31	\$ (0.44)

Statement of Net Assets	As at June 30, 2009	As at December 31, 2008
Assets		
Investments in underlying funds at market value	\$ 3,481,564	\$ 3,541,358
Cash	2,982	366
Prepaid expenses	1,093	-
Due from RBC Life Insurance Company	36,610	49,364
	3,522,249	3,591,088
Liabilities		
Management fee payable	30,255	58,141
Insurance fee payable	18,771	36,073
Accounts payable and accrued liabilities	18,293	22,608
	67,319	116,822
Unitholders' equity	\$ 3,454,930	\$ 3,474,266
Net asset value per unit	\$ 7.70	\$ 7.37

Statement of Changes in Net Assets	Period from January 1 to June 30, 2009	Period from January 1 to June 30, 2008
Net assets, beginning of period	\$ 3,474,266	\$ 3,951,888
Premium deposits	134,352	1,236,492
Net income (loss)	138,075	(200,919)
	3,746,693	4,987,461
Less		
Withdrawals	291,763	189,960
	291,763	189,960
Net Assets, end of the year	\$ 3,454,930	\$ 4,797,501
Number of units outstanding	448,419	459,740

See accompanying notes to the financial statements.

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2009

1. THE FUNDS

RBC Guaranteed Investment Funds (“GIF”) are segregated funds comprised of the following funds and portfolios:

Funds:

RBC Canadian Money Market GIF
RBC Canadian Short-Term Income GIF
RBC Bond GIF
RBC Global Bond GIF
RBC Balanced GIF
RBC Balanced Growth GIF (new fund started on October 1, 2008)
RBC Canadian Dividend GIF
RBC Canadian Equity GIF
RBC O’Shaughnessy All Canadian Equity GIF (new fund started on October 1, 2008)
RBC North American Growth GIF
RBC North American Dividend GIF
RBC U.S. Equity GIF
RBC O’Shaughnessy U.S. Value GIF
RBC U.S. Mid-Cap Equity GIF
RBC Global Dividend Growth GIF
RBC O’Shaughnessy International Equity GIF

Portfolios:

RBC Select Conservative GIP (formerly, RBC Conservative GIP)
RBC Select Balanced GIP (formerly, RBC Balanced GIP)
RBC Select Growth GIP (formerly, RBC Growth GIP)
RBC Select Aggressive Growth GIP (formerly, RBC Aggressive Growth GIP)

The underlying investments of the RBC Guaranteed Investments Portfolio (“GIP”) were changed and on October 1, 2008, these portfolios began investing directly in the RBC Asset Management Select Portfolios.

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 and portfolios available in these contracts are managed by RBC Asset Management Inc.

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 underlying portfolios.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies:

a) Investments

The investments in underlying funds are classified as Held for Trading and 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 and recorded immediately into income.

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 average 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.

h) Financial instruments

On January 1, 2008, the Funds adopted the CICA Handbook Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation. These standards provide comprehensive disclosure and presentation requirements for financial instruments. Section 3862 replaces the disclosure portion of Section 3861, Financial Instruments – Disclosure and Presentation, and introduces new requirements for specific qualitative and quantitative disclosure about risks. This includes the requirements to quantify exposures for certain risks and provide sensitivity analysis for some risks. The main objective of this new standard is to enable investors to evaluate the significance of financial instruments, the nature and extent of risks involved, and how these risks are managed. Section 3863 carries forward the presentation requirements from Section 3861, unchanged. The adoption of these standards did not have an impact to net assets, increase (decrease) in net assets from operations or increase (decrease) in net assets from operations per unit of the Funds.

i) Financial disclosures

On January 1, 2007, the Funds adopted the provisions of the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3855 Financial Instruments – Recognition and Measurement, and Section 3861, Financial Instruments – Disclosure and Presentation. These sections did not have any significant impact on the Funds.

3. FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards (“IFRS”)

On April 7, 2008 the Canadian Accounting Standards Board (“AcSB”) released an Omnibus exposure draft entitled “Adopting IFRS in Canada”, which covers among other things, the incorporation of IFRS into the CICA Handbook. The exposure draft calls for Canadian publicly accountable entities to adopt IFRS for fiscal years beginning on or after January 1, 2011 with disclosure requirements beginning in 2008. As a result, IFRS will be adopted by the Funds on January 1, 2011 and its first set of IFRS compliant financial statements will be for the year ending December 31, 2011.

The Funds are currently going through the assessment and evaluation phase of its IFRS implementation project to determine the effect on its processes, systems, and financial statements upon adoption.

4. FINANCIAL INSTRUMENTS RISK

The Funds may be exposed to a variety of financial risks. Each of the Fund's exposures to financial risks is concentrated in its investment holdings. The Schedule of Invested Assets (note 9) presents the details of units held by each Fund as at December 31, 2008 and groups the underlying mutual funds by their nature. The Funds do not manage their underlying mutual funds and therefore the quantitative and qualitative risk disclosures have not been disclosed.

Each of the Fund's risk management practice includes the monitoring of compliance to investment guidelines. The fund manager manages the potential effects of these financial risks on the Funds' performance by employing and overseeing professional and experienced portfolio advisers that regularly monitor the Funds' positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

Credit risk

Credit risk is the possibility that a borrower, or the counterparty to a derivatives contract, repurchase agreement or reverse repurchase agreement, is unable or unwilling to repay the loan or obligation, either on time or at all. Companies and governments that borrow money, and the debt securities they issue, are rated by specialized rating agencies. Debt securities issued by companies or governments in emerging markets often have higher credit risk (lower rated debt), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (higher rated debt). A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments, but have the potential for substantial loss. Funds that invest in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

Credit risk arises when an underlying mutual fund invests in fixed income securities. Credit risk is considered as part of the investment decision making process. The underlying mutual fund only buy and sell investments through brokers which are considered to be approved counterparties, thus minimizing the risk of default during settlement.

Currency risk

Most underlying mutual funds are valued in Canadian dollars. However, underlying mutual funds that purchase foreign securities may be required to pay for such securities using a foreign currency and receive a foreign currency when they sell them. As a result, changes in the value of the Canadian dollar compared to foreign currencies will affect the value of any foreign securities. For example, if the Canadian dollar rises relative to a foreign currency (like the U.S. dollar or the euro), the Canadian dollar value of an investment denominated in that foreign currency may decline. In the other hand, a Fund may also benefit from changes in exchange rates. Currency exposure may increase the volatility of foreign investment relative to Canadian investments. Some underlying mutual funds may hedge (protect against) the risk of changes in foreign currency exchange rates of the underlying assets of the Fund.

As the Funds only invest in Canadian denominated underlying mutual funds, the Funds do not have a direct currency risk exposure.

Interest rate risk

If a Fund invests primarily in bonds and other fixed-income securities, the biggest influence on the Fund's value will be changes in the general level of interest rates. If interest rates fall, the value of the Fund's Units will tend to rise. If interest rates rise, the value of the Fund's Units will tend to fall. Short-term interest rates can have a different influence on a Fund's value than long-term interest rates. If a Fund invests primarily in bonds and other fixed-income securities with longer-term maturities, the biggest influence on the Fund's value will be changes in the general level of long-term interest rates. If a Fund invests primarily in bonds and other fixed-income securities with shorter-term maturities, the biggest influence on the Fund's value will be changes in the general level of shorter-term interest rates. Investors seeking current income should be aware that the level of interest income from a money market fund will fluctuate as short-term interest rates vary.

Interest rate risk arises when the underlying mutual fund invests in interest bearing financial instruments such as a bond. The underlying mutual fund is exposed to the risk that the value of such financial instrument will fluctuate due to changes in the prevailing levels of market interest rates. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

Liquidity risk

Liquidity refers to the speed and ease with which an asset can be sold and converted into cash. Most securities owned by an underlying mutual fund can be sold easily and at a fair price. In highly volatile markets, such as in periods of sudden interest rate changes, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, or because of features like guarantees. Another reason for illiquidity is a lack of buyers' interest in a particular securities or market. Difficulty in selling securities may result in loss or reduced return for a Fund.

The Funds' assets are comprised of units of underlying mutual funds which can be redeemed upon request from the issuer on a valuation date.

Market risk

Market risk is the risk that the value of investments will fluctuate as a result of changes in market condition. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic event. The Funds are exposed to the market risk of the underlying mutual funds.

5. FINANCIAL RISK MANAGEMENT

RBC GIFs use a fund-of fund structure to invest in underlying mutual funds exclusively managed by RBC Asset Management and its partners. As part of the fund selection process for RBC GIF, the existing funds line-up are reviewed at least annually to identify any product gaps that result from the changing needs of the market and distribution partners.

The screening criteria may include qualitative as well as quantitative measures of performance and must satisfy internal risk management standards and require approval from the Investment Executive Committee.

Ongoing monitoring throughout the year by the Funds' management includes monitoring any organizational or fund changes announced by fund managers or news items that may affect organizational stability or Funds performance as well as analysis of the Funds' rate of return to verify that it is appropriate compared to the underlying mutual fund or fund's benchmark.

Included in the ongoing due diligence process, managers of the underlying mutual funds are required to verify that the Funds have adhered to the Funds' Investment Policies and that the underlying mutual funds are managed in accordance with the investment objectives and strategies as detailed in the Funds Highlights Booklet. The Funds Highlights Booklet also details the specific risk that the underlying mutual funds could be exposed to. Such risk primarily arise because the value of the investments are affected by changes in the local and global economies including interest rates, foreign exchange rates, financial markets and company-specific news. The underlying mutual funds' manager has developed policies and procedures to manage the fund specific risks. Fund portfolios are reviewed on a regular basis to ensure that the existing asset mix and weightings continue to meet the current and future needs of the Funds.

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2009

6. 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	Balance January 1, 2009	Purchases during the period	Redemptions during the period	Balance June 30, 2009
RBC Canadian Money Market GIF	Series 1	756,577	446,328	(409,630)	793,275
RBC Canadian Short-Term Income GIF	Series 1	242,882	148,206	(123,680)	267,408
RBC Bond GIF	Series 1	483,824	36,332	(202,693)	317,463
RBC Global Bond GIF	Series 1	150,628	17,458	(99,807)	168,279
RBC Balanced GIF	Series 1	1,660,159	332,212	(104,161)	1,888,210
RBC Balanced Growth GIF	Series 1	11,884	40,418	(11,017)	41,285
RBC Canadian Dividend GIF	Series 1	2,529,491	449,609	(143,400)	2,835,700
RBC Canadian Equity GIF	Series 1	541,567	73,952	(51,323)	564,196
RBC O'Shaughnessy All Canadian Equity GIF	Series 1	10,499	12,163	(3,824)	18,838
RBC North American Growth GIF	Series 1	149,166	16,384	(14,221)	151,329
RBC North American Dividend GIF	Series 1	41,687	3,871	(23)	45,535
RBC U.S. Equity GIF	Series 1	18,024	7,820	–	125,844
RBC O'Shaughnessy U.S. Value GIF	Series 1	282,271	40,602	(18,272)	304,601
RBC U.S. Mid-Cap Equity GIF	Series 1	7,869	3,735	(292)	11,312
RBC Global Dividend Growth GIF	Series 1	94,701	25,886	(10,983)	109,604
RBC O'Shaughnessy International Equity GIF	Series 1	570,421	40,024	(13,373)	597,072
RBC Select Conservative GIP	Series 1	359,709	158,510	(201,253)	316,966
	Series 2	396,337	234,782	(30,585)	600,534
RBC Select Balanced GIP	Series 1	678,484	63,048	(143,734)	597,798
	Series 2	1,101,752	298,320	(73,207)	1,326,865
RBC Select Growth GIP	Series 1	260,480	51,214	(8,376)	303,318
	Series 2	839,420	178,914	(25,187)	993,147
RBC Select Aggressive Growth GIP	Series 1	44,103	10,752	(1,791)	53,064
	Series 2	471,417	19,434	(42,432)	448,419

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2009

7. 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 Global Bond GIF	1.80	n/a	0.30(0.80)	n/a
RBC Balanced GIF	2.25	n/a	0.30(0.80)	n/a
RBC Balanced Growth GIF	2.30	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 O'Shaughnessy All Canadian Equity GIF	2.30	n/a	0.55(1.05)	n/a
RBC North American Growth GIF	2.25	n/a	0.55(1.05)	n/a
RBC North American Dividend GIF	2.30	n/a	0.55(1.15)	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 Dividend Growth 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 Select Conservative GIP	2.10	2.20	0.20(0.70)	0.30(0.80)
RBC Select Balanced GIP	2.20	2.30	0.30(0.80)	0.40(0.90)
RBC Select Growth GIP	2.25	2.35	0.50(1.00)	0.60(1.10)
RBC Select Aggressive Growth GIP	2.35	2.40	0.65(1.15)	0.85(1.35)

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2009

8. 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%	40,643	1.10%	40,643	1.10%
RBC Canadian Short-Term Income GIF	1.75%	26,265	1.75%	26,265	1.75%
RBC Bond GIF	1.75%	39,167	1.75%	39,167	1.75%
RBC Global Bond GIF	2.10%	13,756	2.10%	13,756	2.10%
RBC Balanced GIF	2.55%	202,380	2.55%	202,380	2.55%
RBC Balanced Growth GIF	2.60%	3,052	2.60%	3,052	2.60%
RBC Canadian Dividend GIF	2.55%	280,043	2.55%	280,043	2.55%
RBC Canadian Equity GIF	2.80%	62,947	2.80%	62,947	2.80%
RBC O'Shaughnessy All Canadian Equity GIF	2.85%	1,610	2.85%	1,610	2.85%
RBC North American Growth GIF	2.85%	16,487	2.85%	16,487	2.85%
RBC North American Dividend GIF	2.80%	4,293	2.80%	4,293	2.80%
RBC U.S. Equity GIF	2.95%	2,524	2.95%	2,524	2.95%
RBC O'Shaughnessy U.S. Value GIF	2.95%	21,925	2.95%	21,925	2.95%
RBC U.S. Mid-Cap Equity GIF	2.95%	951	2.95%	951	2.95%
RBC Global Dividend Growth GIF	3.10%	11,117	3.10%	11,117	3.10%
RBC O'Shaughnessy International Equity GIF	3.10%	53,801	3.10%	53,801	3.10%
RBC Select Conservative GIP, Series 1	2.30%	35,461	2.45%	33,244	2.30%
RBC Select Balanced GIP, Series 1	2.50%	73,019	2.84%	64,385	2.50%
RBC Select Growth GIP, Series 1	2.75%	39,180	3.45%	31,231	2.75%
RBC Select Aggressive Growth GIP, Series 1	3.00%	8,044	4.28%	5,633	3.00%
RBC Select Conservative GIP, Series 2	2.50%	57,749	2.65%	54,541	2.50%
RBC Select Balanced GIP, Series 2	2.70%	151,438	2.99%	136,641	2.70%
RBC Select Growth GIP, Series 2	2.95%	134,275	3.65%	108,655	2.95%
RBC Select Aggressive Growth GIP, Series 2	3.25%	74,053	4.55%	52,902	3.25%

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2009

9. 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	856,677	\$8,566,773	0.5832	\$8,566,773	\$10.00
RBC Canadian Dividend GIF RBC Canadian Short Term Income Fund, Series O	265,143	\$2,885,608	0.2153	\$2,908,854	\$10.97
RBC Bond GIF RBC Bond Fund, Series O	561,662	\$3,398,448	0.1297	\$3,406,141	\$6.06
RBC Global Bond GIF RBC Global Bond Fund, Series O	70,743	\$706,510	0.0892	\$712,384	\$10.07
RBC Balanced GIF RBC Balanced Fund, Series O	1,594,676	\$19,380,247	55.6354	\$17,615,908	\$11.05
RBC Balanced Growth GIF RBC Balanced Growth Fund, Series O	34,037	\$351,242	99.7461	\$369,382	\$10.85
RBC Canadian Dividend GIF RBC Canadian Dividend Fund, Series O	652,934	\$29,809,750	2.1394	\$25,762,877	\$39.46
RBC Canadian Equity GIF RBC Canadian Equity Fund, Series O	234,051	\$6,297,708	0.3644	\$5,140,046	\$21.96
RBC O'Shaughnessy All Canadian Equity GIF RBC O'Shaughnessy All Canadian Equity Fund, Series O	16,545	\$120,457	2.3910	\$130,494	\$7.89
RBC North American Growth GIF RBC North American Growth Fund, Series O	59,789	\$1,596,003	0.2571	\$1,289,096	\$21.56
RBC North American Dividend GIF RBC North American Dividend Fund, Series O	25,101	\$377,917	98.0691	\$318,090	\$12.67
RBC US Equity GIF RBC U.S. Equity Fund, Series O	9,509	\$205,727	0.0099	\$184,408	\$19.39
RBC O'Shaughnessy US Value GIF RBC O'Shaughnessy U.S. Value Fund, Series O	259,126	\$2,739,869	2.5227	\$1,610,004	\$6.21
RBC US Mid Cap Equity GIF RBC U.S. Mid-Cap Equity Fund, Series O	5,245	\$77,128	0.0282	\$74,037	\$14.12
RBC Global Dividend Growth GIF RBC Global Dividend Growth Fund, Series O	102,449	\$909,248	0.2428	\$802,608	\$7.83
RBC O'Shaughnessy International Equity GIF RBC O'Shaughnessy International Equity Fund, Series O	530,212	\$6,145,428	7.8316	\$3,882,740	\$7.32
RBC Select Aggressive Growth GIF RBC Select Aggressive Growth Portfolio Fund, Series O	546,003	\$4,275,301	99.7145	\$3,895,571	\$7.13
RBC Select Balanced GIF RBC Select Balanced Portfolio Fund, Series O	906,784	\$17,653,168	98.8016	\$17,375,432	\$19.16
RBC Select Conservative GIF RBC Select Conservative Portfolio Fund, Series O	516,758	\$8,677,305	99.3428	\$8,836,563	\$17.10
RBC Select Growth GIF RBC Select Growth Portfolio Fund, Series O	577,764	\$11,579,027	99.8627	\$11,254,616	\$19.48

RBC Insurance, through its operating entities, including RBC Life Insurance Company, provides a wide range of life, health, travel, home, auto, and reinsurance products as well as creditor insurance services 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.



RBC Insurance®