

RBC Life Insurance Company

RBC GUARANTEED INVESTMENT FUNDS

UNAUDITED FINANCIAL STATEMENTS

June 30, 2012



RBC Insurance



RBC Guaranteed Investment Funds

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June 30, 2012

RBC Canadian Money Market GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 51,457	\$ 41,078
	<u>51,457</u>	<u>41,078</u>
Expenses		
Management fees	3,288	2,667
Insurance fees	4,700	3,809
Other administrative expenses	9,733	7,848
	<u>17,721</u>	<u>14,324</u>
Net income	\$ 33,736	\$ 26,754
Net income per unit	\$ 0.04	\$ 0.04

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 7,751,884	\$ 9,451,151
Cash	204,425	280,486
Accrued income distribution from investments	7,724	7,500
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	14,182	12,892
	<u>7,978,928</u>	<u>9,753,439</u>
Liabilities		
Management fee payable	496	595
Insurance fee payable	708	851
Accounts payable and accrued liabilities	88,204	21,739
	<u>89,408</u>	<u>23,185</u>
Net assets	\$ 7,889,520	\$ 9,730,254
Net asset value per unit	\$ 10.94	\$ 10.90

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 9,730,254	\$ 5,658,599
Premium deposits	3,576,566	4,802,127
Net income	33,736	26,754
	<u>13,340,556</u>	<u>10,487,480</u>
Less:		
Withdrawals	5,451,036	2,890,218
	<u>5,451,036</u>	<u>2,890,218</u>
Net assets, end of the period	\$ 7,889,520	\$ 7,597,262
Number of units outstanding	721,056	699,687

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Canadian Money Market GIF

		6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
Management fees and insurance fees	2012		1.00		0.10 (0.60)		
(also see note 7)	2011		1.00		0.10 (0.60)		
		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
Other expenses absorbed by the manager	2012		0.42	\$ 57,522	1.37	\$ 17,721	0.42
(also see note 8)	2011		0.42	51,694	1.52	14,324	0.42
			Balance as at January 1st	Purchases during the period	Redemptions during the period	Balance as at June 30th	
Sales and redemption of units	2012		892,812	327,518	(499,274)	721,056	
(also see note 9)	2011		523,210	443,171	(266,694)	699,687	
			Level 1	Level 2	Level 3	Total	
Investment in underlying fund at fair value	2012		\$ 7,751,884	\$ -	\$ -	\$ 7,751,884	
(also see note 10)	2011		7,608,086	-	-	7,608,086	
			Number of units	Cost	% fund owned	Fair value	Fair value per unit
Schedule of invested assets	2012		775,188	\$ 7,751,884	1.2507	\$ 7,751,884	\$ 10.00
RBC Canadian Money Market Fund, Series O	2011		760,809	7,608,086	0.8604	7,608,086	10.00

Top 25 holdings of the underlying fund		% of Assets			% of Assets
HSBC Bank Canada 1.170% Sep 19 12	2.7	National Bank of Canada 1.460% Jul 6 12			1.6
Bay Street Funding Trust - Class A 1.208% Aug 23 12	2.6	Bank of Montreal 1.211% Jul 18 12			1.6
Toronto-Dominion Bank 1.250% Jan 3 13	2.5	Reliant Trust 1.219% Aug 23 12			1.5
Canadian Imperial Bank of Commerce 1.138% Sep 28 12	2.5	Fusion Trust 1.320% Dec 17 12			1.5
Zeus Receivables Trust - Senior Notes 1.279% Sep 7 12	2.2	Province of Alberta 1.279% Sep 17 12			1.5
Toronto-Dominion Bank 1.200% Aug 15 12	2.2	SOUND Trust 1.159% Jul 20 12			1.4
Bay Street Funding Trust - Class A 1.222% Aug 8 12	2.1	PSP Capital Inc. 1.200% Nov 26 12			1.4
HSBC Bank Canada 1.151% Jul 3 12	2.1	Prime Trust - Senior Notes 1.279% Sep 7 12			1.4
Toronto-Dominion Bank 1.165% Jul 3 12	1.9	Province of Manitoba 1.149% Jul 25 12			1.4
Canadian Imperial Bank of Commerce 1.306% Sep 10 12	1.9	Fusion Trust 1.230% Aug 7 12			1.3
Canadian Imperial Bank of Commerce 1.281% Aug 29 12	1.8	Darwin Receivables Trust - Senior Notes 1.157% Jul 11 12			1.3
Canadian Imperial Bank of Commerce 1.400% Apr 12 13	1.8	Merit Trust - Senior Notes 1.279% Sep 7 12			1.3
Bank of Nova Scotia 1.270% Jan 29 13	1.7	Total % of top 25 holdings			45.2

⁽¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Canadian Short-Term Income GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 109,470	\$ 100,089
Realized gain (loss) on sale of investments	1,609	(3,893)
Increase (decrease) in unrealized appreciation of investments	<u>(40,477)</u>	<u>339</u>
	70,602	96,535
Expenses		
Management fees	22,826	19,215
Insurance fees	4,891	4,117
Other administrative expenses	<u>26,563</u>	<u>22,192</u>
	54,280	45,524
Net income	\$ 16,322	\$ 51,011
Net income per unit	\$ 0.03	\$ 0.11

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 5,196,336	\$ 6,708,165
Cash	60,494	-
Accrued income distribution from investments	14,326	-
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	<u>8,081</u>	<u>5,242</u>
	5,279,950	6,714,817
Liabilities		
Bank indebtedness	-	23,382
Management fee payable	3,102	3,841
Insurance fee payable	665	823
Accounts payable and accrued liabilities	<u>40,749</u>	<u>17,796</u>
	44,516	45,842
Net assets	\$ 5,235,434	\$ 6,668,975
Net asset value per unit	\$ 11.63	\$ 11.59

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 6,668,975	\$ 4,614,570
Premium deposits	984,447	1,764,388
Net income	<u>16,322</u>	<u>51,011</u>
	7,669,744	6,429,969
Less		
Withdrawals	<u>2,434,310</u>	<u>1,045,381</u>
	2,434,310	1,045,381
Net assets, end of the period	\$ 5,235,434	\$ 5,384,588
Number of units outstanding	450,173	473,806

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Canadian Short-Term Income GIF

	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %	
	June 30					
Management fees and insurance fees	2012		1.60		0.15 (0.65)	
(also see note 7)	2011		1.60		0.15 (0.65)	
	6 months ending	Annualized MER	Expense before	MER before	Expense after	MER after waiver %
	June 30	cap % ⁽¹⁾	waiver	waiver %	waiver	
Other expenses absorbed by the manager	2012	1.82	\$ 68,176	2.30	\$ 54,280	1.82
(also see note 8)	2011	1.82	61,355	2.45	45,524	1.82
		Balance as at		Purchases during	Redemptions	Balance as at
		January 1st	the period	during the period	June 30th	
Sales and redemption of units	2012		575,569	84,876	(210,272)	450,173
(also see note 9)	2011		410,076	156,507	(92,777)	473,806
		Level 1	Level 2	Level 3	Total	
		\$	\$	\$	\$	\$
Investment in underlying fund at fair value	2012	5,196,336	-	-	5,196,336	
(also see note 10)	2011	5,311,128	-	-	5,311,128	
		Number of units	Cost	% fund owned	Fair value	Fair value per unit
			\$		\$	\$
Schedule of invested assets	2012	472,454	5,196,737	0.2414	5,196,336	11.00
RBC Canadian Short-Term Income Fund, Series O	2011	485,274	5,322,306	0.3100	5,311,128	10.94

Top 25 holdings of the underlying fund		% of Assets		% of Assets	
Province of Ontario 3.250% Sep 8 14	3.9	Province of Quebec 5.250% Oct 1 13	1.6		
Canada Housing Trust No. 1 2.750% Dec 15 15	2.9	Cash & Cash Equivalents	1.5		
Government of Canada 2.750% Sep 1 16	2.6	Toronto-Dominion Bank 4.854% Feb 13 13	1.4		
Province of Ontario 1.900% Sep 8 17	2.5	Province of Ontario 5.375% Dec 2 12	1.3		
Canada Housing Trust No. 1 2.450% Dec 15 15	2.4	Royal Bank of Canada 2.680% Dec 8 16	1.3		
Canadian Imperial Bank of Commerce 2.650% Nov 8 16	2.3	Canada Housing Trust No. 1 4.550% Dec 15 12	1.3		
Government of Canada 2.000% Jun 1 16	2.2	Bank of Nova Scotia 2.598% Feb 27 17	1.2		
Province of Ontario 3.150% Sep 8 15	2.1	Royal Bank of Canada 4.350% Jun 15 20	1.2		
Canada Housing Trust No. 1 2.050% Jun 15 17	2.0	Canada Housing Trust No. 1 2.700% Dec 15 13	1.2		
Financement-Quebec 3.250% Jun 1 14	1.9	Province of Ontario 3.200% Sep 8 16	1.2		
Province of Quebec 4.500% Dec 1 17	1.8	Wells Fargo Financial Canada Corp. 3.970% Nov 3 14	1.1		
Province of Ontario 4.300% Mar 8 17	1.8	Bell Canada 3.600% Dec 2 15	1.0		
Bank of Montreal 3.930% Apr 27 15	1.7	Total % of top 25 holdings	45.4		

⁽¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Bond GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 245,243	\$ 123,162
Realized gains on sale of investments	36,817	35,347
Increase (decrease) in unrealized appreciation of investments	35,518	(26,695)
	<u>317,578</u>	<u>131,814</u>
Expenses		
Management fees	43,810	22,722
Insurance fees	9,524	4,940
Other administrative expenses	51,364	26,654
	<u>104,698</u>	<u>54,316</u>
Net income	\$ 212,880	\$ 77,498
Net income per unit	\$ 0.24	\$ 0.15

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 13,977,198	\$ 9,520,594
Cash	668,527	36,205
Accrued income distribution from investments	117,996	-
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	-	2,820
	<u>14,764,434</u>	<u>9,561,029</u>
Liabilities		
Management fee payable	8,282	5,847
Insurance fee payable	1,800	1,271
Accounts payable and accrued liabilities	164,191	20,206
	<u>174,273</u>	<u>27,324</u>
Net assets	\$ 14,590,161	\$ 9,533,705
Net asset value per unit	\$ 13.06	\$ 12.84

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 9,533,705	\$ 6,293,231
Premium deposits	6,360,684	926,084
Net income	212,880	77,498
	<u>16,107,269</u>	<u>7,296,813</u>
Less		
Withdrawals	1,517,108	1,588,207
	<u>1,517,108</u>	<u>1,588,207</u>
Net assets, end of the period	\$ 14,590,161	\$ 5,708,606
Number of units outstanding	1,117,284	472,440

The accompanying notes are an integral part of these financial statements.

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RBC Bond GIF

	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %		
	June 30						
Management fees and insurance fees	2012		1.60		0.15 (0.65)		
(also see note 7)	2011		1.60		0.15 (0.65)		
	6 months ending		Annualized MER	Expense before	MER before	Expense after	MER after waiver %
	June 30		cap % ⁽¹⁾	waiver	waiver %	waiver	
Other expenses absorbed by the manager	2012	1.83	\$ 105,808	1.86	\$ 104,698	1.83	
(also see note 8)	2011	1.83	72,215	2.43	54,316	1.83	
		Balance as at		Purchases during	Redemptions	Balance as at	
		January 1st		the period	during the period	June 30th	
Sales and redemption of units	2012	742,292		492,688	(117,696)	1,117,284	
(also see note 9)	2011	527,975		78,018	(133,553)	472,440	
		Level 1	Level 2	Level 3	Total		
Investment in underlying fund at fair value (also see note 10)	2012	\$ 13,977,198	\$ -	\$ -	\$ 13,977,198		
	2011	5,706,441	-	-	5,706,441		
		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
Schedule of invested assets	2012	2,050,314	\$ 13,455,334	0.2204	\$ 13,977,198	\$ 6.82	
RBC Bond Fund, Series O	2011	888,217	5,552,884	0.1018	5,706,441	6.42	

Top 25 holdings of the underlying fund	% of Assets		% of Assets	
Province of Ontario 4.200% Jun 2 20	3.0	Province of Quebec 3.500% Dec 1 22	1.2	
Province of Ontario 4.650% Jun 2 41	2.9	Government of Canada 5.750% Jun 1 29	1.1	
Province of Ontario 6.500% Mar 8 29	2.6	Province of Ontario 3.500% Jun 2 43	1.0	
Canada Housing Trust No. 1 3.350% Dec 15 20	2.4	BlueBay Emerging Markets Corporate Bond Fund	1.0	
Province of Ontario 4.000% Jun 2 21	2.4	Province of Quebec 4.500% Dec 1 19	1.0	
Province of Ontario 1.900% Sep 8 17	2.2	Royal Bank of Canada 4.350% Jun 15 20	1.0	
Province of Ontario 4.600% Jun 2 39	2.0	Toronto-Dominion Bank 4.779% Dec 14 16	1.0	
Province of Ontario 4.400% Jun 2 19	1.7	Canadian Imperial Bank of Commerce 4.110% Apr 30 20	0.9	
Province of Quebec 5.000% Dec 1 41	1.6	Royal Bank of Canada 3.360% Jan 11 16	0.8	
Province of Ontario 3.150% Jun 2 22	1.5	United States 10-Year Note Future, September 2012	-3.4	
Province of Ontario 4.700% Jun 2 37	1.4	United States 5-Year Note Future, September 2012	-2.7	
Province of Quebec 5.000% Dec 1 38	1.4	United States 20-Year Note Future, September 2012	-0.9	
Government of Canada 3.250% Jun 1 21	1.2	Total % of top 25 holdings	28.3	

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC PH&N Total Return Bond GIF

Statement of Operations	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Income		
Distribution from underlying fund	\$ 179,488	\$ 21,962
Realized gain on sale of investments	16,765	156
Increase in unrealized appreciation of investments	20,719	5,492
	216,972	27,610
Expenses		
Management fees	34,937	3,320
Insurance fees	7,381	701
Other administrative expenses	39,921	3,764
	82,239	7,785
Net income	\$ 134,733	\$ 19,825
Net income per unit	\$ 0.16	\$ 0.24

Statement of Net Assets	As at June 30, 2012	As at December 31, 2011
Assets		
Investments in underlying fund at fair value	\$ 11,671,631	\$ 6,925,939
Cash	-	404,777
Prepaid expenses	961	1,410
Due from RBC Life Insurance Company	-	3,655
	11,672,592	7,335,781
Liabilities		
Bank indebtedness	27,980	-
Management fee payable	6,653	4,125
Insurance fee payable	1,406	871
Accounts payable and accrued liabilities	168,554	412,010
	204,593	417,006
Net assets	\$ 11,467,999	\$ 6,918,775
Net asset value per unit	\$ 10.87	\$ 10.72

Statement of Changes in Net Assets	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Net assets, beginning of period	\$ 6,918,775	\$ 33,626
Premium deposits	6,390,049	1,199,525
Net income	134,733	19,825
	13,443,557	1,252,976
Less		
Withdrawals	1,975,558	26,671
	1,975,558	26,671
Net assets, end of the period	\$ 11,467,999	\$ 1,226,305
Number of units outstanding	1,055,029	120,483

The accompanying notes are an integral part of these financial statements.

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RBC PH&N Total Return Bond GIF

		6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
Management fees and insurance fees (also see note 8)	2012		1.60		0.15 (0.65)		
	2011		1.60		0.15 (0.65)		
		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
Other expenses absorbed by the manager (also see note 8)	2012		1.85	\$ 82,239	1.86	\$ 82,239	1.85
	2011		1.86	29,462	7.05	7,785	1.86
				Balance as at January 1st	Purchases during the period	Redemptions during the period	Balance as at June 30th
Sales and redemption of units (also see note 9)	2012			645,171	594,063	(184,205)	1,055,029
	2011			3,346	119,775	(2,638)	120,483
				Level 1	Level 2	Level 3	Total
Investment in underlying fund at fair value value (also see note 10)	2012			\$ 11,671,631	\$ -	\$ -	\$ 11,671,631
	2011			1,230,281	-	-	1,230,281
Schedule of invested assets		Number of units	Cost	% fund owned	Fair value	Fair value per	
PH&N Total Return Bond Fund, Series O		2012	1,005,707	\$ 11,575,463	0.8894	\$ 11,671,631	\$ 11.61
		2011	110,361	1,225,265	0.1148	1,230,281	11.15

Top 25 holdings of the underlying fund		% of Assets		% of Assets	
Ontario Prov Cda 7.6% 02-06-2027	9.4	Royal Bank Of Canada 2.58% 13-04-2017	1.2		
Quebec Prov Cda 6.25% 01-06-2032	3.1	Master Credit Card Trust 2.626% 21-01-2017	1.2		
Ontario Prov Cda 4% 02-06-2021	2.6	Ontario Hydro 8.25% 22-06-2026	0.9		
Royal Bank Of Canada 2.68% 08-12-2016	2.3	Ontario Prov Cda 8.5% 02-12-2025	0.9		
Ontario Prov Cda 5.85% 08-03-2033	2.1	Quebec Prov Cda 5% 01-12-2041	0.9		
Ontario Prov Cda 8.1% 08-09-2023	2.1	Merrill Lynch & Co FRN 30-05-2022	0.8		
Ontario Prov Cda 5.6% 02-06-2035	1.9	CIBC 3.1% 02-03-2015	0.7		
Ontario Prov Cda 4.6% 02-06-2039	1.7	CIBC 2.65% 08-11-2016	0.7		
Toronto Dominion Bank Cds FRN 01-11-2017	1.7	Province Of Ontario 3.15% 02-06-2022	0.7		
Bank of Nova Scotia FRN 03-10-2018	1.7	HSBC Bk Canada 3.558% 04-10-2017	0.7		
Golden Credit Card Tr 3.510% 15-05-2016	1.5	Ontario Prov Cda 9.5% 13-07-2022	0.7		
Ontario Prov Cda 6.2% 02-06-2031	1.4	Canada Govt 2.75% 01-06-2022	0.6		
Ontario Prov Cda 4.2% 02-06-2020	1.2	Total % of top 25 holdings	42.7		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

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RBC Global Bond GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 11,835	\$ 12,905
Realized gain on sale of investments	1,940	2,450
Increase (decrease) in unrealized appreciation of investments	14,776	(4,937)
	<u>28,551</u>	<u>10,418</u>
Expenses		
Management fees	3,352	3,251
Insurance fees	1,169	1,134
Other administrative expenses	3,250	3,131
	<u>7,771</u>	<u>7,516</u>
Net income	\$ 20,780	\$ 2,902
Net income per unit	\$ 0.35	\$ 0.05

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 822,810	\$ 654,284
Cash	5,969	728
Accrued income distribution from investments	6,374	-
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	8,448	9,881
	<u>844,314</u>	<u>666,303</u>
Liabilities		
Management fee payable	595	503
Insurance fee payable	210	177
Accounts payable and accrued liabilities	24,924	18,387
	<u>25,729</u>	<u>19,067</u>
Net assets	\$ 818,585	\$ 647,236
Net asset value per unit	\$ 11.93	\$ 11.59

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 647,236	\$ 696,828
Premium deposits	177,000	94,543
Net income	20,780	2,902
	<u>845,016</u>	<u>794,273</u>
Less		
Withdrawals	26,431	112,197
	<u>26,431</u>	<u>112,197</u>
Net assets, end of the period	\$ 818,585	\$ 682,076
Number of units outstanding	68,604	61,004

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

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June 30, 2012

RBC Global Bond GIF						
	6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
Management fees and insurance fees	2012	1.80		0.30 (0.80)		
(also see note 7)	2011	1.80		0.30 (0.80)		
	6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
Other expenses absorbed by the manager	2012	2.22	\$ 33,772	9.70	\$ 7,771	2.22
(also see note 8)	2011	2.22	32,770	9.68	7,516	2.22
			Balance as at January 1st	Purchases during the period	Redemptions during the period	Balance as at June 30th
Sales and redemption of units	2012		55,859	14,985	(2,240)	68,604
(also see note 9)	2011		62,618	8,474	(10,088)	61,004
			Level 1	Level 2	Level 3	Total
Investment in underlying fund at fair value	2012		\$ 822,810	-	-	\$ 822,810
(also see note 10)	2011		691,976	-	-	691,976
		Number of units	Cost	% fund owned	Fair value	Fair value per unit
Schedule of invested assets	2012	75,344	\$ 783,133	0.0437	\$ 822,810	\$ 10.92
RBC Global Bond Fund, Series O	2011	66,902	683,126	0.0419	691,976	10.34
Top 25 holdings of the underlying fund		% of Assets		% of Assets		
Japan Government Twenty Year JPY 1.600% Jun 20 30	6.0	United States Treasury 0.875% Feb 28 17		1.8		
Japan 10-Year Bond Future, September 2012	4.9	Buoni Poliennali Del Tesoro EUR 5.000% Aug 1 39		1.8		
Deutsche Bundesrepublik EUR 4.000% Jan 4 18	4.9	Province of Ontario USD 0.950% May 26 15		1.7		
United States Treasury 1.750% Mar 31 14	4.2	Deutsche Bundesrepublik EUR 1.750% Jul 4 22		1.6		
United States Treasury 3.250% Dec 31 16	3.4	Government of Canada 2.500% Jun 1 15		1.6		
United Kingdom Gilt GBP 4.250% Dec 7 49	2.8	Eksportfinans ASA JPY 1.600% Mar 20 14		1.6		
Cash & Cash Equivalents	2.8	European Union EUR 2.500% Dec 4 15		1.5		
BlueBay Emerging Markets Corporate Bond Fund	2.5	European Investment Bank EUR 1.625% Jan 15 15		1.3		
Buoni Poliennali Del Tesoro EUR 3.750% Aug 1 16	2.4	Kreditanstalt fuer Wiederaufbau GBP 1.750% Jan 22 16		1.1		
Japan Finance Corporation for Municipal Enterprises JPY 2.00	2.2	Buoni Poliennali Del Tesoro EUR 5.500% Sep 1 22		1.1		
Japan Finance Organization for Municipalities JPY 1.350% No	2.1	European Investment Bank JPY 1.400% Jun 20 17		1.0		
European Investment Bank EUR 2.500% Jul 15 15	2.1	United States Treasury 4.500% Aug 15 39		1.0		
Japan Government Twenty Year JPY 2.100% Jun 20 29	1.9	Total % of top 25 holdings		59.3		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Balanced GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 501	\$ 1,217
Realized gain on sale of investments	281,109	294,354
Increase in unrealized appreciation of investments	216,406	79,032
	<u>498,016</u>	<u>374,603</u>
Expenses		
Management fees	173,585	197,792
Insurance fees	40,683	46,358
Other administrative expenses	112,925	128,183
	<u>327,193</u>	<u>372,333</u>
Net income	\$ 170,823	\$ 2,270
Net income per unit	\$ 0.07	\$ -

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 23,495,849	\$ 25,431,071
Cash	22,948	-
Prepaid expenses	713	1,410
	<u>23,519,510</u>	<u>25,432,481</u>
Liabilities		
Bank indebtedness	-	285,169
Management fee payable	26,759	29,411
Insurance fee payable	6,272	6,894
Accounts payable and accrued liabilities	82,637	43,590
	<u>115,668</u>	<u>365,064</u>
Net assets	\$ 23,403,842	\$ 25,067,417
Net asset value per unit	\$ 10.40	\$ 10.33

Statement of Changes in Net assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 25,067,417	\$ 28,544,439
Premium deposits	1,721,002	2,653,361
Net income	170,823	2,270
	<u>26,959,242</u>	<u>31,200,070</u>
Less		
Withdrawals	3,555,400	3,685,497
	<u>3,555,400</u>	<u>3,685,497</u>
Net assets, end of the period	\$ 23,403,842	\$ 27,514,573
Number of units outstanding	<u>2,250,198</u>	<u>2,560,098</u>

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Balanced GIF							
	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %		
	June 30						
Management fees and insurance fees	2012		2.25		0.30 (0.80)		
(also see note 7)	2011		2.25		0.30 (0.80)		
	6 months ending		Annualized MER	Expense before	MER before	Expense after	MER after waiver %
	June 30		cap % ⁽¹⁾	waiver	waiver %	waiver	
Other expenses absorbed by the manager	2012		2.67	\$ 327,193	2.69	\$ 327,193	2.67
(also see note 8)	2011		2.67	372,333	2.67	372,333	2.67
		Balance as at		Purchases during	Redemptions	Balance as at	
		January 1st	the period	during the period	June 30th		
Sales and redemption of units	2012	2,425,702		163,305	(338,809)	2,250,198	
(also see note 9)	2011	2,655,511		245,252	(340,665)	2,560,098	
		Level 1	Level 2	Level 3	Total		
Investment in underlying fund at fair value (also see note 10)	2012	\$ 23,495,849	-	-	\$ 23,495,849		
	2011	27,610,953	-	-	27,610,953		
		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
Schedule of invested assets	2012	1,761,044	\$ 21,444,254	61.1186	\$ 23,495,849	\$ 13.34	
RBC Balanced Fund, Series O	2011	2,045,135	24,767,243	63.4892	27,610,953	13.50	
Top 25 holdings of the underlying fund		% of Assets		% of Assets			
Cash & Cash Equivalents		4.4	Canadian National Railway Co.		1.0		
RBC Emerging Markets Equity Fund		3.7	Barrick Gold Corp.		1.0		
Royal Bank of Canada		1.8	Government of Canada 1.000% Feb 1 15		1.0		
Toronto-Dominion Bank		1.7	Potash Corporation of Saskatchewan Inc.		1.0		
Bank of Nova Scotia		1.6	Province of Manitoba 6.500% Sep 22 17		1.0		
Province of Quebec 4.500% Dec 1 17		1.6	TransCanada Corp.		0.9		
Province of Ontario 4.300% Mar 8 17		1.5	Province of Quebec 4.500% Dec 1 20		0.9		
Province of Ontario 9.500% Jul 13 22		1.4	Canadian Natural Resources Ltd.		0.8		
Suncor Energy Inc.		1.3	Bank of Montreal		0.8		
Canada Housing Trust No. 1 3.350% Dec 15 20		1.3	Canada Housing Trust No. 1 3.150% Jun 15 14		0.8		
Government of Canada 1.500% Nov 1 13		1.2	Province of Ontario 4.400% Jun 2 19		0.8		
Province of Ontario 4.650% Jun 2 41		1.2	Goldcorp Inc.		0.8		
Government of Canada 2.250% Aug 1 14		1.1	Total % of top 25 holdings		34.6		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC PH&N Monthly Income GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 431,079	\$ 126,391
Realized gain (loss) on sale of investments	(14,542)	741
Increase (decrease) in unrealized appreciation of investments	151,234	(36,698)
	<u>567,771</u>	<u>90,434</u>
Expenses		
Management fees	124,472	32,746
Insurance fees	29,874	7,859
Other administrative expenses	82,893	21,751
	<u>237,239</u>	<u>62,356</u>
Net income	\$ 330,532	\$ 28,078
Net income per unit	\$ 0.19	\$ 0.06

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 19,965,823	\$ 15,583,296
Cash	40,383	8,558
Prepaid expenses	712	1,410
	<u>20,006,918</u>	<u>15,593,264</u>
Liabilities		
Management fee payable	21,436	17,019
Insurance fee payable	5,144	4,085
Accounts payable and accrued liabilities	162,941	16,403
	<u>189,521</u>	<u>37,507</u>
Net assets	\$ 19,817,397	\$ 15,555,757
Net asset value per unit	10.28	10.07

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 15,555,757	\$ 637,065
Premium deposits	5,227,483	9,213,857
Net income	330,532	28,078
	<u>21,113,772</u>	<u>9,879,000</u>
Less		
Withdrawals	1,296,375	282,070
	<u>1,296,375</u>	<u>282,070</u>
Net assets, end of the period	\$ 19,817,397	\$ 9,596,930
Number of units outstanding	1,927,643	926,315

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC PH&N Monthly Income GIF							
		6 months ending June 30		Annual Management Fee %	Annual Insurance Fee (Limit) %		
Management fees and insurance fees (also see note 7)	2012			2.20		0.30 (0.80)	
	2011			2.20		0.30 (0.80)	
		6 months ending June 30	Annualized MER cap % (1)	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
Other expenses absorbed by the manager (also see note 8)	2012		2.65	\$ 237,239	2.66	\$ 237,239	2.65
	2011		2.62	62,356	2.63	62,356	2.63
				Balance as at January 1, 2010	Purchases during the period	Redemptions during the period	Balance as at June 30th
Sales and redemption of units (also see note 9)	2012			1,544,216	510,081	(126,654)	1,927,643
	2011			62,958	890,485	(27,128)	926,315
				Level 1	Level 2	Level 3	Total
Investment in underlying fund at fair value (also see note 10)	2012			\$ 19,965,823	-	-	\$ 19,965,823
	2011			9,520,377	-	-	9,520,377
Schedule of invested assets							
		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
PH&N Monthly Income Fund, Series O	2012	1,870,931	\$ 20,184,156	1.3255	\$ 19,965,823	\$ 10.67	
	2011	866,710	9,552,287	0.8424	9,520,377	\$ 10.98	
Top 25 holdings of the underlying fund							
		% of Assets			% of Assets		
Government of Canada 2.000% Sep 1 12		5.8	Vermilion Energy Inc.		1.5		
RBC High Yield Bond Fund		5.1	ARC Resources Ltd.		1.5		
Phillips, Hager & North High Yield Bond Fund		4.3	Rogers Communications Inc., Class B		1.4		
Toronto-Dominion Bank		3.6	Canadian Imperial Bank of Commerce		1.4		
Royal Bank of Canada		3.3	Brookfield Office Properties Inc.		1.4		
Bank of Nova Scotia		3.1	Province of Ontario 4.200% Jun 2 20		1.3		
Province of Ontario 7.600% Jun 2 27		2.7	CI Financial Corp.		1.3		
Enbridge Inc.		2.3	Intact Financial Corp.		1.2		
Province of Ontario 6.500% Mar 8 29		2.3	Brookfield Renewable Energy Partners LP		1.1		
Cenovus Energy Inc.		1.9	Husky Energy Inc.		1.0		
Canadian National Railway Co.		1.6	Manulife Financial Corporation		0.9		
TELUS Corp., Class A		1.5	IGM Financial Inc.		0.9		
Power Corporation of Canada		1.5	Total % of top 25 holdings		53.9		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Global Balanced GIF

Statement of Operations	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Income		
Distribution from underlying fund	\$ 393	\$ 2
Realized gain on sale of investments	7,883	7,973
Increase (decrease) in unrealized appreciation of investments	39,328	(2,026)
	47,604	5,949
Expenses		
Management fees	8,590	5,491
Insurance fees	1,954	1,248
Other administrative expenses	5,592	3,466
	16,136	10,205
Net income (loss)	\$ 31,468	\$ (4,256)
Net income (loss) per unit	\$ 0.27	\$ (0.06)

Statement of Net Assets	As at June 30, 2012	As at December 31, 2011
Assets		
Investments in underlying fund at fair value	\$ 1,242,979	\$ 1,142,812
Cash	2,236	600
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	8,430	9,457
	1,254,358	1,154,279
Liabilities		
Management fee payable	1,388	1,309
Insurance fee payable	316	298
Accounts payable and accrued liabilities	19,750	14,080
	21,454	15,687
Net assets	\$ 1,232,904	\$ 1,138,592
Net asset value per unit	\$ 10.41	\$ 10.14

Statement of Changes in Net Assets	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Net assets, beginning of period	\$ 1,138,592	\$ 603,524
Premium deposits	162,353	507,282
Net income (loss)	31,468	(4,256)
	1,332,413	1,106,550
Less		
Withdrawals	99,509	86,533
	99,509	86,533
Net assets, end of the period	\$ 1,232,904	\$ 1,020,017
Number of units outstanding	118,474	96,801

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Global Balanced GIF

		6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
Management fees and insurance fees (also see note 7)	2012		2.30		0.30 (0.80)		
	2011		2.30		0.30 (0.80)		
		6 months ending June 30	Annualized MER cap % (1)	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
Other expenses absorbed by the manager (also see note 8)	2012		2.68	\$ 40,175	6.71	\$ 16,136	2.68
	2011		2.68	32,845	8.63	10,205	2.68
				Balance as at January 1st	Purchases during the period	Redemptions during the period	Balance as at June 30th
Sales and redemption of units (also see note 9)	2012			112,275	15,664	(9,465)	118,474
	2011			57,146	47,778	(8,123)	96,801
				Level 1	Level 2	Level 3	Total
Investment in underlying fund at fair value (also see note 10)	2012			\$ 1,242,979	\$ -	\$ -	\$ 1,242,979
	2011			1,033,088	-	-	1,033,088
Schedule of invested assets		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
RBC Global Balanced Fund, Series O	2012	96,138	\$ 1,162,276	57.1182	\$ 1,242,979	\$ 12.93	
	2011	81,056	967,006	57.9652	1,033,088	12.75	

Top 25 holdings of the underlying fund	% of Assets		% of Assets
Cash & Cash Equivalents	4.6	Province of Ontario 4.700% Jun 2 37	0.7
RBC Emerging Markets Equity Fund	3.7	Province of Ontario USD 0.950% May 26 15	0.7
Royal Bank of Canada	1.1	Japan Government Twenty Year JPY 2.100% Jun 20 29	0.7
Apple Inc.	1.1	Canadian National Railway Co.	0.7
Toronto-Dominion Bank	1.1	Potash Corporation of Saskatchewan Inc.	0.7
Japan Government Twenty Year JPY 1.600% Jun 20 30	1.0	Province of Quebec 4.500% Dec 1 17	0.7
Province of Ontario 1.900% Sep 8 17	0.9	United States Treasury 3.125% May 15 19	0.7
Bank of Nova Scotia	0.8	United Kingdom Gilt GBP 4.250% Dec 7 49	0.7
Suncor Energy Inc.	0.8	Eksportfinans ASA JPY 1.600% Mar 20 14	0.6
Exxon Mobil Corp.	0.8	Japan Government Ten Year JPY 1.000% Sep 20 20	0.6
Deutsche Bundesrepublik EUR 3.000% Jul 4 20	0.8	Province of Ontario 3.150% Jun 2 22	0.6
United States Treasury 4.500% Aug 15 39	0.8	Barrick Gold Corp.	0.6
United States Treasury 1.750% Mar 31 14	0.7	Total % of top 25 holdings	26.2

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Canadian Dividend GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 1,082,704	\$ 965,929
Realized gain on sale of investments	106,889	124,305
Increase in unrealized appreciation of investments	856,666	1,319,258
	<u>2,046,259</u>	<u>2,409,492</u>
Expenses		
Management fees	494,704	421,791
Insurance fees	115,946	98,857
Other administrative expenses	316,646	268,899
	<u>927,296</u>	<u>789,547</u>
Net income	\$ 1,118,963	\$ 1,619,945
Net income per unit	\$ 0.18	\$ 0.31

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 75,492,278	\$ 66,826,099
Cash	-	67,038
Accrued income distribution from investments	570,105	-
Prepaid expenses	713	1,410
Subscriptions Receivable	20,000	25,000
	<u>76,083,096</u>	<u>66,919,547</u>
Liabilities		
Bank indebtedness	1,163,046	-
Management fee payable	82,621	76,536
Insurance fee payable	19,365	17,939
Accounts payable and accrued liabilities	697,782	100,117
	<u>1,962,814</u>	<u>194,592</u>
Net assets	\$ 74,120,282	\$ 66,724,955
Net asset value per unit	\$ 11.02	\$ 10.83

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 66,724,955	\$ 51,080,398
Premium deposits	15,232,924	21,397,577
Net income	1,118,963	1,619,945
	<u>83,076,842</u>	<u>74,097,920</u>
Less		
Withdrawals	8,956,560	5,805,291
	<u>8,956,560</u>	<u>5,805,291</u>
Net assets, end of the period	\$ 74,120,282	\$ 68,292,629
Number of units outstanding	6,724,240	5,906,309

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Canadian Dividend GIF

		6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
Management fees and insurance fees (also see note 7)	2012		2.25		0.30 (0.80)		
	2011		2.25		0.30 (0.80)		
		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
Other expenses absorbed by the manager (also see note 8)	2012		2.66	\$ 927,296	2.67	\$ 927,296	2.66
	2011		2.65	789,547	2.65	789,547	2.65
				Balance as at January 1st	Purchases during the period	Redemptions during the period	Balance as at June 30th
Sales and redemption of units (also see note 9)	2012			6,162,007	1,366,444	(804,211)	6,724,240
	2011			4,562,617	1,843,503	(499,811)	5,906,309
				Level 1	Level 2	Level 3	Total
Investment in underlying fund at fair value (also see note 10)	2012			\$ 75,492,278	\$ -	\$ -	\$ 75,492,278
	2011			67,885,404	-	-	67,885,404
Schedule of invested assets		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
RBC Canadian Dividend Fund, Series O	2012	1,600,654	\$ 74,333,498	2.3417	\$ 75,492,278	\$ 47.16	
	2011	1,367,274	63,192,932	2.2387	67,885,404	49.65	

Top 25 holdings of the underlying fund		% of Assets		% of Assets	
Cash & Cash Equivalents	8.2	Imperial Oil Ltd.	2.2		
Toronto-Dominion Bank	6.6	Canadian Natural Resources Ltd.	2.1		
Royal Bank of Canada	6.5	Cenovus Energy Inc.	2.0		
Bank of Nova Scotia	6.0	Husky Energy Inc.	1.8		
Canadian Imperial Bank of Commerce	3.7	Manulife Financial Corporation	1.8		
Bank of Montreal	3.5	BCE Inc.	1.7		
Brookfield Asset Management Inc., Class A	3.1	CI Financial Corp.	1.5		
Canadian National Railway Co.	2.9	Canadian Pacific Railway Ltd.	1.5		
Enbridge Inc.	2.9	TELUS Corp., Class A	1.4		
TransCanada Corp.	2.8	Magna International Inc., Class A	1.3		
Power Corporation of Canada	2.5	Atco Ltd., Class I, Non-Voting	1.3		
Suncor Energy Inc.	2.4	Barrick Gold Corp.	1.3		
Potash Corporation of Saskatchewan Inc.	2.2	Total % of top 25 holdings	73.2		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Canadian Equity GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 1,025	\$ 2,551
Realized gain (loss) on sale of investments	(363,783)	25,295
Increase (decrease) in unrealized appreciation of investments	235,299	(36,014)
	<u>(127,459)</u>	<u>(8,168)</u>
Expenses		
Management fees	70,404	60,467
Insurance fees	30,490	26,186
Other administrative expenses	46,102	39,280
	<u>146,996</u>	<u>125,933</u>
Net loss	\$ (274,455)	\$ (134,101)
Net loss per unit	\$ (0.29)	\$ (0.18)

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 8,651,884	\$ 10,564,250
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	9,366	5,383
	<u>8,661,963</u>	<u>10,571,043</u>
Liabilities		
Bank indebtedness	205,232	517
Management fee payable	9,494	11,930
Insurance fee payable	4,111	5,167
Accounts payable and accrued liabilities	31,068	18,732
	<u>249,905</u>	<u>36,346</u>
Net assets	\$ 8,412,058	\$ 10,534,697
Net asset value per unit	\$ 10.09	\$ 10.40

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 10,534,697	\$ 7,486,860
Premium deposits	1,185,241	3,826,542
Net loss	(274,455)	(134,101)
	<u>11,445,483</u>	<u>11,179,301</u>
Less		
Withdrawals	3,033,425	1,107,993
	<u>3,033,425</u>	<u>1,107,993</u>
Net assets, end of the period	\$ 8,412,058	\$ 10,071,308
Number of units outstanding	833,341	859,213

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Canadian Equity GIF								
	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %			
	June 30							
Management fees and insurance fees	2012		2.25		0.55 (1.05)			
(also see note 7)	2011		2.25		0.55 (1.05)			
	6 months ending		Annualized MER	Expense before	MER before	Expense after	MER after waiver %	
	June 30		cap % (1)	waiver	waiver %	waiver		
Other expenses absorbed by the manager	2012		2.92	\$ 163,232	3.26	\$ 146,996	2.92	
(also see note 8)	2011		2.90	140,379	3.23	125,933	2.90	
		Balance as at		Purchases during	Redemptions	Balance as at		
		January 1st		the period	during the period	June 30th		
Sales and redemption of units	2012			1,012,679	110,631	(289,969)	833,341	
(also see note 9)	2011			633,020	316,751	(90,558)	859,213	
		Level 1		Level 2		Level 3		Total
		\$		\$		\$		\$
Investment in underlying fund at fair value	2012	8,651,884		-		-		8,651,884
(also see note 10)	2011	10,067,742		-		-		10,067,742
		Number of units		Cost	% fund owned	Fair value	Fair value per unit	
				\$		\$		
Schedule of invested assets	2012	394,507	\$ 10,023,609	0.3553	\$ 8,651,884	\$ 21.93		
RBC Canadian Equity Fund, Series O	2011	381,130	10,086,711	0.4236	10,067,742	26.42		
Top 25 holdings of the underlying fund		% of Assets			% of Assets			
		5.3	Enbridge Inc.			2.1		
		5.1	Cenovus Energy Inc.			1.7		
		4.7	Manulife Financial Corporation			1.7		
		4.0	Brookfield Asset Management Inc., Class A			1.6		
		3.6	Power Corporation of Canada			1.6		
		2.8	TELUS Corp., Class A			1.4		
		2.8	Rogers Communications Inc., Class B			1.4		
		2.7	Teck Resources Ltd., Class B			1.3		
		2.5	Yamana Gold Inc.			1.2		
		2.4	Canadian Pacific Railway Ltd.			1.2		
		2.3	EnCana Corp.			1.1		
		2.2	Magna International Inc., Class A			1.1		
		2.1	Total % of top 25 holdings			59.9		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC O'Shaughnessy All Canadian Equity GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 22	\$ 412
Realized gain on sale of investments	50,122	10,213
Increase (decrease) in unrealized appreciation of investments	<u>186,264</u>	<u>(3,957)</u>
	236,408	6,668
Expenses		
Management fees	51,028	17,481
Insurance fees	21,425	7,339
Other administrative expenses	<u>32,243</u>	<u>11,053</u>
	104,696	35,873
Net income (loss)	\$ 131,712	\$ (29,205)
Net income (loss) per unit	\$ 0.22	\$ (0.15)

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 7,088,969	\$ 6,816,081
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	<u>700</u>	<u>4,356</u>
	7,090,382	6,821,847
Liabilities		
Bank indebtedness	316,744	-
Management fee payable	8,017	7,998
Insurance fee payable	3,366	3,358
Accounts payable and accrued liabilities	<u>21,364</u>	<u>15,133</u>
	349,491	26,489
Net assets	\$ 6,740,891	\$ 6,795,358
Net asset value per unit	\$ 11.64	\$ 11.42

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 6,795,358	\$ 1,227,663
Premium deposits	1,303,069	2,531,676
Net income (loss)	<u>131,712</u>	<u>(29,205)</u>
	8,230,139	3,730,134
Less		
Withdrawals	<u>1,489,248</u>	<u>109,974</u>
	1,489,248	109,974
Net assets, end of the period	\$ 6,740,891	\$ 3,620,160
Number of units outstanding	579,020	296,391

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC O'Shaughnessy All Canadian Equity GIF

		6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %	
		June 30					
Management fees and insurance fees (also see note 7)	2012			2.30		0.55 (1.05)	
	2011			2.30		0.55 (1.05)	
		6 months ending	Annualized MER	Expense before	MER before	Expense after	MER after waiver %
		June 30	cap % (1)	waiver	waiver %	waiver	
Other expenses absorbed by the manager (also see note 8)	2012		2.98	\$ 108,578	3.11	\$ 104,696	2.98
	2011		2.97	55,561	4.60	35,873	2.97
				Balance as at	Purchases during	Redemptions	Balance as at
				January 1st	the period	during the period	June 30th
Sales and redemption of units (also see note 9)	2012			594,977	109,970	(125,927)	579,020
	2011			100,219	205,023	(8,851)	296,391
				Level 1	Level 2	Level 3	Total
Investment in underlying fund at fair value (also see note 10)	2012			\$ 7,088,969	\$ -	\$ -	\$ 7,088,969
	2011			3,639,500	-	-	3,639,500
Schedule of invested assets		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
RBC O'Shaughnessy All Canadian Equity		2012	610,161	\$ 6,885,331	43.4132	\$ 7,088,969	\$ 11.62
Fund, Series O		2011	307,095	3,433,459	26.2599	3,639,500	11.85

Top 25 holdings of the underlying fund		% of Assets		% of Assets	
Jean Coutu Group, Class A	3.8	Cineplex Inc.	2.2		
WestJet Airlines Ltd.	3.8	Shoppers Drug Mart Corp.	2.1		
Corus Entertainment Inc., Class B	3.6	CGI Group Inc., Class A	2.1		
Alimentation Couche-Tard Inc.	3.4	The North West Co. Inc.	2.1		
Toromont Industries Ltd.	3.0	Parkland Fuel Corp.	1.9		
Aecon Group Inc.	3.0	Mullen Group Ltd.	1.8		
Tim Hortons Inc.	2.9	Cogeco Cable Inc.	1.8		
Empire Co. Ltd., Class A	2.9	Wajax Corp.	1.8		
Metro Inc., Class A	2.8	Suncor Energy Inc.	1.8		
Dollarama Inc.	2.7	Agrium Inc.	1.8		
Stantec Inc.	2.4	Canadian Oil Sands Ltd.	1.7		
Atco Ltd., Class I, Non-Voting	2.3	Cash & Cash Equivalents	1.6		
Sheritt International Corp.	2.2	Total % of top 25 holdings	61.5		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC DS Canadian Focus Fund GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ -	\$ (2)
Realized gain (loss) on sale of investments	(86)	1,527
Increase (decrease) in unrealized appreciation of investments	<u>(11,092)</u>	<u>12,029</u>
	<u>(11,178)</u>	<u>13,554</u>
Expenses		
Management fees	9,350	10,727
Insurance fees	4,050	4,645
Other administrative expenses	<u>6,127</u>	<u>7,023</u>
	<u>19,527</u>	<u>22,395</u>
Net loss	\$ (30,705)	\$ (8,841)
Net loss per unit	\$ (0.23)	\$ (0.06)

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 1,316,292	\$ 1,316,170
Cash	76	-
Prepaid expenses	712	1,409
Due from RBC Life Insurance Company	<u>6,427</u>	<u>8,132</u>
	<u>1,323,507</u>	<u>1,325,711</u>
Liabilities		
Bank indebtedness	-	2,175
Management fee payable	1,441	1,516
Insurance fee payable	624	657
Accounts payable and accrued liabilities	<u>22,094</u>	<u>16,310</u>
	<u>24,159</u>	<u>20,658</u>
Net assets	\$ 1,299,348	\$ 1,305,053
Net asset value per unit	\$ 9.49	\$ 9.69

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 1,305,053	\$ 1,492,822
Premium deposits	100,000	10,000
Net loss	<u>(30,705)</u>	<u>(8,841)</u>
	<u>1,374,348</u>	<u>1,493,981</u>
Less		
Withdrawals	<u>75,000</u>	<u>13,914</u>
	<u>75,000</u>	<u>13,914</u>
Net assets, end of the period	\$ 1,299,348	\$ 1,480,067
Number of units outstanding	<u>136,886</u>	<u>136,387</u>

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC DS Canadian Focus Fund GIF

	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %		
	June 30						
Management fees and insurance fees	2012		2.25		0.55 (1.05)		
(also see note 7)	2011		2.25		0.55 (1.05)		
	6 months ending		Annualized MER	Expense before	MER before	Expense after	MER after waiver %
	June 30		cap % (1)	waiver	waiver %	waiver	
Other expenses absorbed by the manager	2012		2.97	\$ 39,778	6.08	\$ 19,527	2.97
(also see note 8)	2011		2.97	39,348	5.22	22,395	2.97
		Balance as at		Purchases during	Redemptions	Balance as at	
		January 1st	the period	during the period	June 30th		
Sales and redemption of units	2012		134,626	9,860	(7,600)	136,886	
(also see note 9)	2011		136,821	892	(1,326)	136,387	
		Level 1	Level 2	Level 3	Total		
		\$	\$	\$	\$		
Investment in underlying fund at fair value (also see note 10)	2012	\$ 1,316,292	\$ -	\$ -	\$ 1,316,292		
	2011	1,495,288	-	-	1,495,288		
		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
			\$		\$	\$	
Schedule of invested assets	2012	79,717	\$ 1,359,384	2.2940	\$ 1,316,292	\$ 16.51	
RBC DS Canadian Focus Fund, Series O	2011	81,776	1,391,178	1.9698	1,495,288	18.29	

Top 25 holdings of the underlying fund	% of Assets		% of Assets	
Royal Bank of Canada	5.4	Teck Resources Ltd., Class B	2.5	
Toronto-Dominion Bank	5.4	TransCanada Corp.	2.5	
Bank of Nova Scotia	5.3	CI Financial Corp.	2.4	
Canadian National Railway Co.	4.9	Thomson Corp.	2.4	
Barrick Gold Corp.	4.4	Canadian Imperial Bank of Commerce	2.2	
Potash Corporation of Saskatchewan Inc.	4.3	Husky Energy Inc.	2.2	
Suncor Energy Inc.	4.3	Bank of Montreal	2.1	
Brookfield Asset Management Inc., Class A	4.1	Imperial Oil Ltd.	2.0	
Goldcorp Inc.	4.0	Shoppers Drug Mart Corp.	2.0	
Canadian Natural Resources Ltd.	3.3	Manulife Financial Corporation	2.0	
TELUS Corp., Class A	2.8	Magna International Inc., Class A	2.0	
Power Corporation of Canada	2.8	Finning International Inc.	1.6	
Cenovus Energy Inc.	2.7	Total % of top 25 holdings	79.6	

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC North American Growth GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 2	\$ 60
Realized gain on sale of investments	597	9,912
Increase (decrease) in unrealized appreciation of investments	34,205	(6,966)
	<u>34,804</u>	<u>3,006</u>
Expenses		
Management fees	7,513	10,313
Insurance fees	3,253	4,466
Other administrative expenses	4,933	6,577
	<u>15,699</u>	<u>21,356</u>
Net income (loss)	\$ 19,105	\$ (18,350)
Net income (loss) per unit	\$ 0.05	\$ (0.13)

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 1,005,462	\$ 1,114,402
Cash	76	-
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	10,747	10,603
	<u>1,016,998</u>	<u>1,126,415</u>
Liabilities		
Bank indebtedness	-	1,597
Management fee payable	1,111	1,269
Insurance fee payable	481	549
Accounts payable and accrued liabilities	25,490	17,480
	<u>27,082</u>	<u>20,895</u>
Net assets	\$ 989,916	\$ 1,105,520
Net asset value per unit	\$ 9.78	\$ 9.64

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 1,105,520	\$ 1,492,096
Premium deposits	52,870	203,192
Net income (loss)	19,105	(18,350)
	<u>1,177,495</u>	<u>1,676,938</u>
Less		
Withdrawals	187,579	325,085
	<u>187,579</u>	<u>325,085</u>
Net assets, end of the period	\$ 989,916	\$ 1,351,853
Number of units outstanding	101,201	129,288

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC North American Growth GIF										
	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %					
	June 30									
Management fees and insurance fees	2012		2.25		0.55 (1.05)					
(also see note 7)	2011		2.25		0.55 (1.05)					
	6 months ending		Annualized MER cap % (1)	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %			
	June 30									
Other expenses absorbed by the manager	2012		2.93	\$ 46,006	8.64	\$ 15,699	2.93			
(also see note 8)	2011		2.90	48,198	6.54	21,356	2.90			
			Balance as at		Purchases during		Redemptions		Balance as at	
			January 1st		the period		during the period		June 30th	
Sales and redemption of units	2012		114,668		5,235		(18,702)		101,201	
(also see note 9)	2011		140,972		18,759		(30,443)		129,288	
			Level 1		Level 2		Level 3		Total	
			\$		\$		\$		\$	
Investment in underlying fund at fair value	2012		1,005,462		-		-		1,005,462	
(also see note 10)	2011		1,368,395		-		-		1,368,395	
		Number of units		Cost	% fund owned	Fair value		Fair value per unit		
						\$		\$		
Schedule of invested assets	2012	39,646		\$ 1,019,006	2.3643	\$ 1,005,462		\$ 25.36		
RBC North American Growth Fund, Series O	2011	52,001		1,338,527	3.6434	1,368,395		26.31		
Top 25 holdings of the underlying fund		% of Assets				% of Assets				
Cash & Cash Equivalents		3.7		Goldcorp Inc.		1.2				
Royal Bank of Canada		2.7		Canadian Imperial Bank of Commerce		1.2				
Toronto-Dominion Bank		2.7		General Electric Company		1.2				
Bank of Nova Scotia		2.3		Exxon Mobil Corp.		1.2				
Apple Inc.		2.1		Power Corporation of Canada		1.1				
Suncor Energy Inc.		1.8		TJX Companies Inc.		1.1				
Canadian National Railway Co.		1.7		Cenovus Energy Inc.		1.1				
Potash Corporation of Saskatchewan Inc.		1.5		U.S. Bancorp		1.0				
Canadian Natural Resources Ltd.		1.4		Enbridge Inc.		1.0				
Barrick Gold Corp.		1.4		Abbott Laboratories		1.0				
Microsoft Corp.		1.4		Wells Fargo & Company		1.0				
Bank of Montreal		1.3		International Business Machines		0.9				
TransCanada Corp.		1.2		Total % of top 25 holdings		38.2				

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC U.S. Dividend GIF

Statement of Operations	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Income		
Distribution from underlying fund	\$ 13,597	\$ 144
Realized gain on sale of investments	9,951	1,514
Increase (decrease) in unrealized appreciation of investments	67,125	(749)
	90,673	909
Expenses		
Management fees	7,648	3,858
Insurance fees	3,187	1,608
Other administrative expenses	4,789	2,454
	15,624	7,920
Net income (loss)	\$ 75,049	\$ (7,011)
Net income (loss) per unit	\$ 0.63	\$ (0.11)

Statement of Net Assets	As at June 30, 2012	As at December 31, 2011
Assets		
Investments in underlying fund at fair value	\$ 1,309,531	\$ 895,837
Cash	6,181	-
Accrued income distribution from investments	7,278	-
Prepaid expenses	713	1,410
Subscriptions Receivable	60,000	-
Due from RBC Life Insurance Company	7,974	9,508
	1,391,677	906,755
Liabilities		
Bank indebtedness	-	1,694
Management fee payable	1,444	1,050
Insurance fee payable	601	438
Accounts payable and accrued liabilities	28,694	15,412
	30,739	18,594
Net assets	\$ 1,360,938	\$ 888,161
Net asset value per unit	\$ 9.20	\$ 8.57

Statement of Changes in Net Assets	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Net assets, beginning of period	\$ 888,161	\$ 451,752
Premium deposits	561,498	249,981
Net income (loss)	75,049	(7,011)
	1,524,708	694,722
Less		
Withdrawals	163,770	74,868
	163,770	74,868
Net assets, end of the period	\$ 1,360,938	\$ 619,854
Number of units outstanding	147,950	72,136

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC U.S. Dividend GIF

	6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
Management fees and insurance fees (also see note 7)	2012		2.30		0.55 (1.15)	
	2011		2.30		0.55 (1.15)	
	6 months ending June 30	Annualized MER cap % (1)	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
Other expenses absorbed by the manager (also see note 8)	2012	2.97	\$ 40,359	7.71	\$ 15,624	2.97
	2011	2.97	32,907	12.34	7,920	2.97
			Balance as at	Purchases during	Redemptions	Balance as at
			January 1st	the period	during the period	June 30th
Sales and redemption of units (also see note 9)	2012		103,630	62,593	(18,273)	147,950
	2011		52,047	28,777	(8,688)	72,136
			Level 1	Level 2	Level 3	Total
			\$	\$	\$	\$
Investment in underlying fund at fair value (also see note 10)	2012		1,309,531	-	-	1,309,531
	2011		633,393	-	-	633,393
		Number of units	Cost	% fund owned	Fair value	Fair value per unit
Schedule of invested assets	2012	78,534	\$ 1,204,826	86.9672	\$ 1,309,531	\$ 16.67
RBC U.S. Dividend Fund, Series O	2011	41,343	615,604	90.6679	633,393	15.32

Top 25 holdings of the underlying fund	% of Assets		% of Assets	
Cash & Cash Equivalents	12.1	Wells Fargo & Company	1.3	
Apple Inc.	3.8	Wal-Mart Stores Inc.	1.3	
Exxon Mobil Corp.	2.7	Coca-Cola Co.	1.2	
Microsoft Corp.	2.1	Intel Corp.	1.1	
General Electric Company	2.1	Procter & Gamble Co.	1.1	
International Business Machines	2.0	American Tower Corp. Real Estate Investment Trust	1.1	
AT&T Inc.	1.7	Altria Group Inc.	1.0	
Pfizer Inc.	1.7	Comcast Corp., Class A	1.0	
JPMorgan Chase & Co.	1.6	CVS Corp.	1.0	
Philip Morris International Inc.	1.4	Spectra Energy Corp.	1.0	
Johnson & Johnson	1.3	Express Scripts Holding Co.	1.0	
Chevron Corp.	1.3	U.S. Bancorp	1.0	
Verizon Communications Inc.	1.3	Total % of top 25 holdings	48.2	

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC U.S. Equity GIF

Statement of Operations	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Income		
Realized gain on sale of investments	\$ 2,091	\$ 2,118
Increase (decrease) in unrealized appreciation of investments	25,370	(7,511)
	<u>27,461</u>	<u>(5,393)</u>
Expenses		
Management fees	3,116	2,406
Insurance fees	1,557	1,203
Other administrative expenses	2,015	1,546
	<u>6,688</u>	<u>5,155</u>
Net income (loss)	\$ 20,773	\$ (10,548)
Net income (loss) per unit	\$ 0.42	\$ (0.28)

Statement of Net Assets	As at June 30, 2012	As at December 31, 2011
Assets		
Investments in underlying fund at fair value	\$ 483,295	\$ 355,881
Cash	3,162	837
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	8,824	10,243
	<u>495,994</u>	<u>368,371</u>
Liabilities		
Management fee payable	429	311
Insurance fee payable	362	303
Accounts payable and accrued liabilities	22,068	15,991
	<u>22,859</u>	<u>16,605</u>
Net assets	\$ 473,135	\$ 351,766
Net asset value per unit	\$ 8.92	\$ 8.41

Statement of Changes in Net Assets	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Net assets, beginning of period	\$ 351,766	\$ 305,665
Premium deposits	153,703	99,655
Net income (loss)	20,773	(10,548)
	<u>526,242</u>	<u>394,772</u>
Less		
Withdrawals	53,107	82,523
	<u>53,107</u>	<u>82,523</u>
Net assets, end of the period	\$ 473,135	\$ 312,249
Number of units outstanding	53,059	35,780

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC U.S. Equity GIF						
	6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
		Management fees and insurance fees (also see note 7)	2012	2.30		0.65 (1.15)
	2011	2.30		0.65 (1.15)		
	6 months ending June 30	Annualized MER	Expense before	MER before	Expense after	MER after waiver %
		cap % (1)	waiver	waiver %	waiver	
Other expenses absorbed by the manager (also see note 8)	2012	3.08	\$ 33,968	15.74	\$ 6,688	3.08
	2011	3.07	29,504	17.57	5,155	3.07
		Balance as at	Purchases during	Redemptions	Balance as at	
		January 1st	the period	during the period	June 30th	
Sales and redemption of units (also see note 9)	2012	41,846	17,190	(5,977)	53,059	
	2011	34,279	10,838	(9,337)	35,780	
		Level 1	Level 2	Level 3	Total	
Investment in underlying fund at fair value (also see note 10)	2012	\$ 483,295	\$ -	\$ -	\$ 483,295	
	2011	325,600	-	-	325,600	
		Number of units	Cost	% fund owned	Fair value	Fair value per unit
Schedule of invested assets RBC U.S. Equity Fund, Series O	2012	21,381	\$ 462,251	0.0164	\$ 483,295	\$ 22.60
	2011	14,988	321,748	0.0136	325,600	21.72

Top 25 holdings of the underlying fund		% of Assets		% of Assets	
Apple Inc.	4.6	RBC U.S. Mid-Cap Value Fund	1.4		
Cash & Cash Equivalents	3.9	Pfizer Inc.	1.3		
Exxon Mobil Corp.	3.2	Express Scripts Holding Co.	1.3		
General Electric Company	2.2	CVS Corp.	1.3		
Microsoft Corp.	2.1	Wal-Mart Stores Inc.	1.2		
Alexion Pharmaceuticals Inc.	1.9	Wells Fargo & Company	1.2		
UnitedHealth Group Incorporated	1.7	Intel Corp.	1.2		
Chevron Corp.	1.6	Union Pacific Corp.	1.2		
AT&T Inc.	1.6	The Walt Disney Company	1.1		
Philip Morris International Inc.	1.6	QUALCOMM Inc.	1.1		
International Business Machines	1.5	TJX Companies Inc.	1.1		
Coca-Cola Co.	1.4	Home Depot Inc.	1.1		
JPMorgan Chase & Co.	1.4	Total % of top 25 holdings	43.2		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC O' Shaughnessy U.S. Value GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 63,740	\$ 47,778
Realized gain on sale of investments	18,744	1,661
Increase in unrealized appreciation of investments	188,079	237,611
	<u>270,563</u>	<u>287,050</u>
Expenses		
Management fees	29,006	21,761
Insurance fees	14,502	10,881
Other administrative expenses	18,789	14,096
	<u>62,297</u>	<u>46,738</u>
Net income	<u>\$ 208,266</u>	<u>\$ 240,312</u>
Net income per unit	<u>\$ 0.43</u>	<u>\$ 0.63</u>

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 4,455,424	\$ 3,736,883
Cash	22,373	1,729
Accrued income distribution from investments	37,987	-
Prepaid expenses	713	1,410
Subscriptions Receivable	-	12,500
Due from RBC Life Insurance Company	9,827	9,436
	<u>4,526,324</u>	<u>3,761,958</u>
Liabilities		
Management fee payable	4,835	4,257
Insurance fee payable	2,418	2,128
Accounts payable and accrued liabilities	64,780	17,147
	<u>72,033</u>	<u>23,532</u>
Net assets	<u>\$ 4,454,291</u>	<u>\$ 3,738,426</u>
Net asset value per unit	<u>\$ 8.51</u>	<u>\$ 8.06</u>

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 3,738,426	\$ 2,568,593
Premium deposits	981,091	927,756
Net income	208,266	240,312
	<u>4,927,783</u>	<u>3,736,661</u>
Less		
Withdrawals	473,492	362,514
	<u>473,492</u>	<u>362,514</u>
Net assets, end of the period	<u>\$ 4,454,291</u>	<u>\$ 3,374,147</u>
Number of units outstanding	<u>523,377</u>	<u>405,883</u>

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC O' Shaughnessy U.S. Value GIF

		6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %		
		June 30						
Management fees and insurance fees (also see note 7)	2012			2.30		0.65 (1.15)		
	2011			2.30		0.65 (1.15)		
		6 months ending		Annualized MER	Expense before	MER before	Expense after	MER after waiver %
		June 30		cap % (1)	waiver	waiver %	waiver	
Other expenses absorbed by the manager (also see note 8)	2012			3.05	\$ 89,190	4.39	\$ 62,297	3.05
	2011			3.04	73,414	4.78	46,738	3.04
				Balance as at	Purchases during	Redemptions	Balance as at	
				January 1st	the period	during the period	June 30th	
Sales and redemption of units (also see note 9)	2012			463,706	114,749	(55,078)	523,377	
	2011			335,323	115,240	(44,680)	405,883	
				Level 1	Level 2	Level 3	Total	
Investment in underlying fund at fair value (also see note 10)	2012			\$ 4,455,424	\$ -	\$ -	\$ 4,455,424	
	2011			3,363,128	-	-	3,363,128	
Schedule of invested assets		Number of units	Cost	% fund owned	Fair value	Fair value per unit		
RBC O' Shaughnessy U.S. Value Fund, Series O	2012	447,062	\$ 4,277,081	4.7160	\$ 4,455,424	\$ 9.97		
	2011	346,289	3,301,755	3.7307	3,363,128	9.71		

Top 25 holdings of the underlying fund		% of Assets		% of Assets	
Gap Inc.	5.0	Northrop Grumman Corp.	2.7		
DIRECTV, Class A	4.0	Koninklijke KPN N.V. ADR	2.6		
Travelers Cos. Inc.	3.7	Viacom Inc.	2.6		
L-3 Communications Holdings Inc.	3.5	Best Buy Co. Inc.	2.4		
ConocoPhillips	3.4	Safeway Inc.	2.3		
Time Warner Cable Inc.	3.4	Omnicom Group	2.2		
Lowe's Companies	3.4	Intel Corp.	2.2		
Lockheed Martin Corporation	3.4	Autozone Inc.	2.0		
Kohls Corp.	3.3	WellPoint Inc.	1.8		
AstraZeneca Plc. ADR	3.0	Conagra Inc.	1.8		
Chubb Corp.	2.9	Coca-Cola Enterprises Inc.	1.6		
Ameriprise Financial Inc.	2.9	Cash & Cash Equivalents	1.6		
Aetna Inc.	2.8	Total % of top 25 holdings	70.5		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC U.S. Mid-Cap Equity GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 39	\$ (1)
Realized gain on sale of investments	2,332	2,404
Increase in unrealized appreciation of investments	28,748	11,213
	<u>31,119</u>	<u>13,616</u>
Expenses		
Management fees	4,463	2,608
Insurance fees	2,249	1,314
Other administrative expenses	2,924	1,705
	<u>9,636</u>	<u>5,627</u>
Net income	\$ 21,483	\$ 7,989
Net income per unit	\$ 0.36	\$ 0.22

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 662,197	\$ 567,461
Cash	-	15,549
Prepaid expenses	713	1,410
Subscriptions Receivable	-	12,500
Due from RBC Life Insurance Company	7,910	9,704
	<u>670,820</u>	<u>606,624</u>
Liabilities		
Bank indebtedness	64	-
Management fee payable	730	642
Insurance fee payable	368	323
Accounts payable and accrued liabilities	18,339	13,039
	<u>19,501</u>	<u>14,004</u>
Net assets	\$ 651,319	\$ 592,620
Net asset value per unit	\$ 10.42	\$ 10.01

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 592,620	\$ 161,403
Premium deposits	73,519	451,745
Net income	21,483	7,989
	<u>687,622</u>	<u>621,137</u>
Less		
Withdrawals	36,303	23,495
	<u>36,303</u>	<u>23,495</u>
Net assets, end of the period	\$ 651,319	\$ 597,642
Number of units outstanding	62,532	56,547

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC U.S. Mid-Cap Equity GIF

	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %		
	June 30						
Management fees and insurance fees	2012		2.30		0.65 (1.15)		
(also see note 7)	2011		2.30		0.65 (1.15)		
	6 months ending		Annualized MER	Expense before	MER before	Expense after	MER after waiver %
	June 30						
Other expenses absorbed by the manager	2012		3.05	\$ 34,708	11.04	\$ 9,636	3.05
(also see note 8)	2011		2.97	28,367	14.97	5,627	2.97
		Balance as at		Purchases during	Redemptions	Balance as at	
		January 1st		the period	during the period	June 30th	
Sales and redemption of units	2012			57,952	8,050	(3,470)	62,532
(also see note 9)	2011			15,640	43,099	(2,192)	56,547
		Level 1	Level 2	Level 3	Total		
Investment in underlying fund at fair value	2012	\$ 662,197	\$ -	\$ -	\$ 662,197		
(also see note 10)	2011	609,512	-	-	609,512		
		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
Schedule of invested assets	2012	34,496	\$ 625,057	0.1390	\$ 662,197	\$ 19.20	
RBC U.S. Mid-Cap Equity Fund, Series O	2011	31,970	572,606	0.1383	609,512	19.07	

Top 25 holdings of the underlying fund	% of Assets		% of Assets	
Cash & Cash Equivalents	5.3	Zumiez Inc.	1.3	
Omega Healthcare Investors Inc. Real Estate Investment Trus	2.5	Swift Transportation Co., Class A	1.2	
Realty Income Corp. Real Estate Investment Trust	2.0	Cooper Co. Inc.	1.2	
Everest Re Group Ltd.	1.9	Ansyc Inc.	1.2	
Taubman Centers Inc.	1.9	WESCO International Inc.	1.2	
Perrigo Company	1.9	Lennar Corp.	1.2	
Alliance Data Systems Corp.	1.8	Westar Energy Inc.	1.2	
Vertex Pharmaceuticals Inc.	1.8	Louisiana-Pacific Corp.	1.1	
SPX Corp.	1.6	Smithfield Foods Inc.	1.1	
Citrix Systems Inc.	1.5	Hubbell Inc., Class B	1.1	
PetsMart Inc.	1.5	Dollar Tree Inc.	1.1	
Essex Property Trust Inc.	1.5	Regeneron Pharmaceutical	1.1	
Alliant Energy Corp.	1.4	Total % of top 25 holdings	40.6	

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Global Dividend Growth GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 9	\$ 1
Realized gain (loss) on sale of investments	(2,022)	2,686
Increase in unrealized appreciation of investments	45,755	30,771
	<u>43,742</u>	<u>33,458</u>
Expenses		
Management fees	6,530	5,990
Insurance fees	3,312	3,037
Other administrative expenses	4,039	3,698
	<u>13,881</u>	<u>12,725</u>
Net income	\$ 29,861	\$ 20,733
Net income per unit	\$ 0.28	\$ 0.22

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 954,516	\$ 823,780
Cash	-	157
Prepaid expenses	713	1,410
Due from RBC Life Insurance Company	9,375	10,262
	<u>964,604</u>	<u>835,609</u>
Liabilities		
Bank indebtedness	762	-
Management fee payable	1,098	1,002
Insurance fee payable	470	422
Accounts payable and accrued liabilities	22,159	15,958
	<u>24,489</u>	<u>17,382</u>
Net assets	\$ 940,115	\$ 818,227
Net asset value per unit	\$ 8.05	\$ 7.76

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 818,227	\$ 787,642
Premium deposits	157,101	186,218
Net income	29,861	20,733
	<u>1,005,189</u>	<u>994,593</u>
Less		
Withdrawals	65,074	181,083
	<u>65,074</u>	<u>181,083</u>
Net assets, end of the period	\$ 940,115	\$ 813,510
Number of units outstanding	116,804	95,587

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Global Dividend Growth GIF

	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %		
	June 30						
Management fees and insurance fees (also see note 7)	2012		2.40		0.70 (1.20)		
	2011		2.40		0.70 (1.20)		
	6 months ending		Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
	June 30						
Other expenses absorbed by the manager (also see note 8)	2012	3.20	\$ 40,298	9.34	\$ 13,881	3.20	
	2011	3.23	38,446	9.76	12,725	3.23	
		Balance as at		Purchases during	Redemptions	Balance as at	
		January 1st		the period	during the period	June 30th	
Sales and redemption of units (also see note 9)	2012	105,423		19,464	(8,083)	116,804	
	2011	95,240		22,090	(21,743)	95,587	
		Level 1	Level 2	Level 3	Total		
Investment in underlying fund at fair value (also see note 10)	2012	\$ 954,516	\$ -	\$ -	\$ 954,516		
	2011	832,854	-	-	832,854		
		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
Schedule of invested assets RBC Global Dividend Growth Fund, Series O	2012	112,086	\$ 962,408	0.2126	\$ 954,516	\$ 8.52	
	2011	92,339	803,767	0.1951	832,854	9.02	

Top 25 holdings of the underlying fund	% of Assets		% of Assets	
Chevron Corp.	4.2	Comcast Corp., Class A	3.0	
General Electric Company	4.2	Accenture Plc., Class A	3.0	
Union Pacific Corp.	4.0	Bayerische Motoren Werke (BMW) AG	2.9	
Pfizer Inc.	3.9	Kraft Foods Inc., Class A	2.8	
BlackRock Inc.	3.8	WPP Plc.	2.8	
Apple Inc.	3.4	Seadrill Ltd.	2.1	
QUALCOMM Inc.	3.3	Swedbank AB	2.1	
Vodafone Group Plc.	3.1	FedEx Corporation	2.0	
Compass Group Plc.	3.1	Sanofi	2.0	
Legal & General Group Plc.	3.1	McDonald's Corp.	2.0	
Rio Tinto Plc.	3.1	UnitedHealth Group Incorporated	2.0	
CVS Corp.	3.1	Shire Plc.	2.0	
Freeport-McMoRan Copper & Gold Inc.	3.0	Total % of top 25 holdings	74.0	

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC O'Shaughnessy International Equity GIF

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ 231	\$ 242
Realized loss on sale of investments	(157,968)	(175,961)
Increase in unrealized appreciation of investments	<u>286,980</u>	<u>361,032</u>
	<u>129,243</u>	<u>185,313</u>
Expenses		
Management fees	17,682	24,892
Insurance fees	8,968	12,626
Other administrative expenses	<u>10,961</u>	<u>15,312</u>
	<u>37,611</u>	<u>52,830</u>
Net income	<u>\$ 91,632</u>	<u>\$ 132,483</u>
Net income per unit	<u>\$ 0.25</u>	<u>\$ 0.30</u>

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying fund at fair value	\$ 2,289,937	\$ 2,438,315
Cash	18	-
Prepaid expenses	767	1,465
Due from RBC Life Insurance Company	<u>14,964</u>	<u>11,612</u>
	<u>2,305,686</u>	<u>2,451,392</u>
Liabilities		
Bank indebtedness	-	4,175
Management fee payable	2,611	3,062
Insurance fee payable	1,324	1,554
Accounts payable and accrued liabilities	<u>32,760</u>	<u>20,727</u>
	<u>36,695</u>	<u>29,518</u>
Net assets	<u>\$ 2,268,991</u>	<u>\$ 2,421,874</u>
Net asset value per unit	<u>\$ 6.42</u>	<u>\$ 6.19</u>

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 2,421,874	\$ 3,388,610
Premium deposits	58,843	218,413
Net income	<u>91,632</u>	<u>132,483</u>
	<u>2,572,349</u>	<u>3,739,506</u>
Less		
Withdrawals	<u>303,358</u>	<u>587,478</u>
	<u>303,358</u>	<u>587,478</u>
Net assets, end of the period	<u>\$ 2,268,991</u>	<u>\$ 3,152,028</u>
Number of units outstanding	<u>353,210</u>	<u>415,521</u>

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC O'Shaughnessy International Equity GIF

	6 months ending		Annual Management Fee %		Annual Insurance Fee (Limit) %		
	June 30						
Management fees and insurance fees	2012		2.40		0.70	(1.20)	
(also see note 7)	2011		2.40		0.70	(1.20)	
	6 months ending		Annualized MER	Expense before	MER before	Expense after	MER after waiver %
	June 30						
Other expenses absorbed by the manager	2012		3.23	\$ 76,072	6.57	\$ 37,611	3.23
(also see note 8)	2011		3.23	84,243	5.15	52,830	3.23
		Balance as at		Purchases during	Redemptions	Balance as at	
		January 1st	the period	during the period	June 30th		
Sales and redemption of units	2012		391,339	9,211	(47,340)	353,210	
(also see note 9)	2011		464,799	29,066	(78,344)	415,521	
		Level 1	Level 2	Level 3	Total		
		\$	\$	\$	\$		
Investment in underlying fund at fair value (also see note 10)	2012	2,289,937	-	-	2,289,937		
	2011	3,185,392	-	-	3,185,392		
		Number of units	Cost	% fund owned	Fair value	Fair value per unit	
			\$		\$	\$	
Schedule of invested assets	2012	333,601	3,461,384	5.2665	2,289,937	6.86	
RBC O'Shaughnessy International Equity Fund, Series O	2011	376,787	4,105,436	5.1236	3,185,392	8.45	

Top 25 holdings of the underlying fund		% of Assets		% of Assets	
Telecom Corp. of New Zealand Ltd.	3.3	Drax Group Plc.	1.7		
Telstra Corp. Ltd.	3.2	Total S.A.	1.6		
ENI S.p.A.	3.1	Enel S.p.A.	1.6		
Vivendi S.A.	2.4	BAE Systems Plc.	1.5		
Telecom Italia S.p.A.	2.4	Lawson Inc.	1.5		
Freenet AG	2.3	Hannover Rueckversicherung AG	1.5		
RWE AG	2.3	Greek Organization of Football Prognostics S.A.	1.4		
Transcosmos Inc.	2.1	Marudai Food Co. Ltd.	1.4		
GDF Suez	2.0	NAMCO BANDAI Holdings Inc.	1.4		
SSE Plc.	2.0	AstraZeneca Plc.	1.4		
France Telecom S.A.	1.7	Telefonica S.A.	1.3		
BT Group Plc.	1.7	Autobacs Seven Co. Ltd.	1.3		
Cash & Cash Equivalents	1.7	Total % of top 25 holdings	47.8		

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Select Conservative GIP

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying funds	\$ 544,392	\$ 444,848
Realized gain on sale of investments	118,401	243,536
Increase (decrease) in unrealized appreciation of investments	740,008	(11,245)
	<u>1,402,801</u>	<u>677,139</u>
Expenses		
Management fees	313,472	223,606
Insurance fees	67,900	46,276
Other administrative expenses	214,224	154,451
	<u>595,596</u>	<u>424,333</u>
Net income	<u>\$ 807,205</u>	<u>\$ 252,806</u>
Net income per unit		
Series 1	\$ 0.17	\$ 0.07
Series 2	0.19	0.09
Statement of Net Assets		
	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying funds at fair value	\$ 48,150,128	\$ 44,664,220
Cash	34,322	88,983
Accrued income distribution from investments	262,642	-
Prepaid expenses	1,375	2,773
Subscriptions Receivable	100,000	-
	<u>48,548,467</u>	<u>44,755,976</u>
Liabilities		
Management fee payable	50,400	48,280
Insurance fee payable	10,983	10,340
Accounts payable and accrued liabilities	360,194	60,978
	<u>421,577</u>	<u>119,598</u>
Net assets	<u>\$ 48,126,890</u>	<u>\$ 44,636,378</u>
Net asset value per unit		
Series 1	\$ 10.84	\$ 10.64
Series 2	10.83	10.64
Statement of Changes in Net Assets		
	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 44,636,378	\$ 32,722,095
Premium deposits	8,536,817	10,102,614
Net income	807,205	252,806
	<u>53,980,400</u>	<u>43,077,515</u>
Less		
Withdrawals	5,853,510	5,822,045
	<u>5,853,510</u>	<u>5,822,045</u>
Net assets, end of the period	<u>\$ 48,126,890</u>	<u>\$ 37,255,470</u>
Number of units outstanding		
Series 1	1,586,497	1,700,055
Series 2	2,854,976	1,770,199

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Select Conservative GIP

		6 months ending June 30		Annual Management Fee %		Annual Insurance Fee (Limit) %	
				Series 1	Series 2	Series 1	Series 2
Management fees and insurance fees (also see note 7)		2012		2.10	2.20	0.20 (0.70)	0.30 (0.80)
		2011		2.10	2.20	0.20 (0.70)	0.30 (0.80)
Other expenses absorbed by the manager (also see note 8)		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
	Series 1	2012	2.41	\$ 226,567	2.54	\$ 216,449	2.41
		2011	2.42	217,665	2.42	217,665	2.42
	Series 2	2012	2.61	395,625	2.74	379,147	2.61
		2011	2.61	206,668	2.61	206,668	2.61
Sales and redemption of units (also see note 9)				Balance as at January 1st	Purchases during the period	Redemptions during the period	Balance as at June 30th
	Series 1	2012		1,753,924	134,874	(302,301)	1,586,497
		2011		1,705,710	243,506	(249,161)	1,700,055
	Series 2	2012		2,439,759	654,705	(239,488)	2,854,976
		2011		1,367,317	698,425	(295,543)	1,770,199
Investment in underlying fund at fair value (also see note 10)				Level 1	Level 2	Level 3	Total
		2012		\$ 48,150,128	\$ -	\$ -	\$ 48,150,128
		2011		37,051,086	-	-	37,051,086
Schedule of invested assets			Number of units	Cost	% fund owned	Fair value	Fair value per unit
RBC Conservative Portfolio Fund, Series O		2012	2,562,295	\$ 46,717,399	94.5443	\$ 48,150,128	\$ 18.79
		2011	1,972,397	35,592,164	93.7269	37,051,086	18.78

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Bond Fund		22.9	RBC Canadian Dividend Fund		8.8
Province of Ontario 4.200% Jun 2 20	3.0		Cash & Cash Equivalents		8.2
Province of Ontario 4.650% Jun 2 41	2.9		Toronto-Dominion Bank		6.6
Province of Ontario 6.500% Mar 8 29	2.6		Royal Bank of Canada		6.5
Canada Housing Trust No. 1 3.350% Dec 15 20	2.4		Bank of Nova Scotia		6
Province of Ontario 4.000% Jun 2 21	2.4		Canadian Imperial Bank of Commerce		3.7
Phillips, Hager & North Bond Fund		13.7	RBC Canadian Equity Fund		7.6
Ontario Prov Cda 7.6% 02-06-2027	9.9		Royal Bank of Canada		5.3
Ontario Prov Cda 6.5% 08-03-2029	4.0		Toronto-Dominion Bank		5.1
Canada Hsg Tr No 1 3.75% 15-03-2020	1.7		Bank of Nova Scotia		4.7
Royal Bank Of Canada 2.58% 13-04-2017	1.7		Cash & Cash Equivalents		4
Royal Bank Of Canada 2.68% 08-12-2016	1.6		Suncor Energy Inc.		3.6
RBC U.S. Equity Fund		10.9	RBC European Equity Fund		7.3
Apple Inc.	4.6		GlaxoSmithKline PLC		4.6
Cash & Cash Equivalents	3.9		Diageo PLC		3.5
Exxon Mobil Corp.	3.2		BT Group PLC		3.0
General Electric Company	2.2		Royal Dutch Shell PLC Class A		2.6
Microsoft Corp.	2.1		Kabel Deutschland AG		2.6
RBC Canadian Short-Term Income Fund		9.1	Phillips, Hager & North U.S Multi-Style All Cap Equity Fund		3.7
Province of Ontario 3.250% Sep 8 14	3.9		Apple, Inc.		3.6
Canada Housing Trust No. 1 2.750% Dec 15 15	2.9		Exxon Mobil Corporation		3.2
Government of Canada 2.750% Sep 1 16	2.6		Chevron Corp		1.8
Province of Ontario 1.900% Sep 8 17	2.5		Microsoft Corporation		1.3
Canada Housing Trust No. 1 2.450% Dec 15 15	2.4		CVS Caremark Corp		1.3
RBC Global Bond Fund		9.1	RBC Asian Equity Fund		3.2
Japan Government Twenty Year JPY 1.600% Jun 20 30	6.0		Samsung Electronics Co Ltd		2.0
Japan 10-Year Bond Future, September 2012	4.9		Mizuho Financial Group Inc		1.8
Deutsche Bundesrepublik EUR 4.000% Jan 4 18	4.9		Sumitomo Mitsui Financial Group Inc		1.8
United States Treasury 1.750% Mar 31 14	4.2		Mitsubishi UFJ Financial Group, Inc.		1.4
United States Treasury 3.250% Dec 31 16	3.4		Astellas Pharma, Inc.		1.4
			RBC Canadian Money Market Fund		2.2
			HSBC Bank Canada 1.170% Sep 19 12		2.7
			Bay Street Funding Trust - Class A 1.208% Aug 23 12		2.6
			Toronto-Dominion Bank 1.250% Jan 3 13		2.5
			Canadian Imperial Bank of Commerce 1.138% Sep 28 12		2.5
			Zeus Receivables Trust - Senior Notes 1.279% Sep 7 12		2.2
			Cash & Cash Equivalents		1.5
Total % of top holding of underlying mutual funds					100.0

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Select Balanced GIP

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying funds	\$ 3,930	\$ 664
Realized gain on sale of investments	108,438	171,466
Increase in unrealized appreciation of investments	1,353,188	471,167
	<u>1,465,556</u>	<u>643,297</u>
Expenses		
Management fees	298,201	246,096
Insurance fees	87,062	71,302
Other administrative expenses	192,812	160,284
	<u>578,075</u>	<u>477,682</u>
Net income	\$ 887,481	\$ 165,615
Net income per unit		
Series 1	\$ 0.22	\$ 0.05
Series 2	0.21	0.05

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying funds at fair value	\$ 43,940,302	\$ 39,497,103
Cash	574,662	25,481
Prepaid expenses	1,425	2,824
Subscriptions Receivable	-	50,000
	<u>44,516,389</u>	<u>39,575,408</u>
Liabilities		
Management fee payable	48,090	45,627
Insurance fee payable	14,050	13,305
Accounts payable and accrued liabilities	529,507	57,569
	<u>591,647</u>	<u>116,501</u>
Net assets	\$ 43,924,742	\$ 39,458,907
Net asset value per unit		
Series 1	\$ 10.24	\$ 10.00
Series 2	10.11	9.89

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 39,458,907	\$ 32,229,243
Premium deposits	7,592,126	9,525,234
Net income	887,481	165,615
	<u>47,938,514</u>	<u>41,920,092</u>
Less		
Withdrawals	4,013,772	3,270,989
	<u>4,013,772</u>	<u>3,270,989</u>
Net assets, end of the period	\$ 43,924,742	\$ 38,649,103
Number of units outstanding		
Series 1	979,650	921,223
Series 2	3,351,085	2,851,070

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Select Balanced GIP

		6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
			Series 1	Series 2	Series 1	Series 2	
Management fees and insurance fees		2012	2.20	2.30	0.30 (0.80)	0.40 (0.90)	
(also see note 7)		2011	2.20	2.30	0.30 (0.80)	0.40 (0.90)	
Other expenses absorbed by the manager		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
(also see note 8)	Series 1	2012	2.60	\$ 130,895	2.75	\$ 124,617	2.60
		2011	2.60	120,146	2.60	120,146	2.60
	Series 2	2012	2.80	475,139	2.95	453,458	2.80
		2011	2.80	357,536	2.80	357,536	2.80
Sales and redemption of units			Balance as at January 1, 2010	Purchases during the period	Redemptions during the period	Balance as at June 30th	
(also see note 9)	Series 1	2012	927,425	142,061	(89,836)	979,650	
		2011	852,798	183,927	(115,502)	921,223	
	Series 2	2012	3,052,181	603,874	(304,970)	3,351,085	
		2011	2,309,932	744,509	(203,371)	2,851,070	
Investment in underlying fund at fair value			Level 1	Level 2	Level 3	Total	
(also see note 10)		2012	\$ 43,940,302	\$ -	\$ -	\$ 43,940,302	
		2011	38,448,790	-	-	38,448,790	
Schedule of invested assets			Number of units	Cost	% fund owned	Fair value	Fair value per unit
RBC Select Balanced Portfolio Fund, Series O		2012	2,030,898	\$ 41,909,974	75.1487	\$ 43,940,302	\$ 21.64
		2011	1,748,920	35,599,420	88.6996	38,448,790	21.98
¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.							
		% of Assets	% of Assets			% of Assets	% of Assets
RBC Bond Fund			30.0	RBC Global Bond Fund			4.2
Province of Ontario 4.200% Jun 2 20		3.0		Japan Government Twenty Year JPY 1.600% Jun 20 30		6.0	
Province of Ontario 4.650% Jun 2 41		2.9		Japan 10-Year Bond Future, September 2012		4.9	
Province of Ontario 6.500% Mar 8 29		2.6		Deutsche Bundesrepublik EUR 4.000% Jan 4 18		4.9	
Canada Housing Trust No. 1 3.350% Dec 15 20		2.4		United States Treasury 1.750% Mar 31 14		4.2	
Province of Ontario 4.000% Jun 2 21		2.4		United States Treasury 3.250% Dec 31 16		3.4	
RBC U.S. Equity Fund			13.9	RBC U.S. Mid-Cap Equity Fund			3.8
Apple Inc.		4.6		Cash & Cash Equivalents		5.3	
Cash & Cash Equivalents		3.9		Omega Healthcare Investors Inc. Real Estate Investment		2.5	
Exxon Mobil Corp.		3.2		Realty Income Corp. Real Estate Investment Trust		2	
General Electric Company		2.2		Everest Re Group Ltd.		1.9	
Microsoft Corp.		2.1		Taubman Centers Inc.		1.9	
RBC Canadian Dividend Fund			10.8	RBC Emerging Markets Equity Fund			3.7
Cash & Cash Equivalents		8.2		Taiwan Semiconductor Manufacturing		4.9	
Toronto-Dominion Bank		6.6		Naspers Ltd		4.3	
Royal Bank of Canada		6.5		Samsung Electronics Co Ltd		4.1	
Bank of Nova Scotia		6		Vale SA ADR		4.0	
Canadian Imperial Bank of Commerce		3.7		China Mobile Ltd.		3.5	
RBC Canadian Equity Fund			10.7	RBC Asian Equity Fund			3.6
Royal Bank of Canada		5.3		Samsung Electronics Co Ltd		2.0	
Toronto-Dominion Bank		5.1		Mizuho Financial Group Inc		1.8	
Bank of Nova Scotia		4.7		Sumitomo Mitsui Financial Group Inc		1.8	
Cash & Cash Equivalents		4.0		Mitsubishi UFJ Financial Group, Inc.		1.4	
Suncor Energy Inc.		3.6		Astellas Pharma, Inc.		1.4	
RBC European Equity Fund			7.1	RBC Global Dividend Growth Fund			3.4
GlaxoSmithKline PLC		4.6		Chevron Corp.		4.2	
Diageo PLC		3.5		General Electric Company		4.2	
BT Group PLC		3.0		Union Pacific Corp.		4.0	
Royal Dutch Shell PLC Class A		2.6		Pfizer Inc.		3.9	
Kabel Deutschland AG		2.6		BlackRock Inc.		3.8	
Phillips, Hager & North U.S. MSAC Equity Fund			5.7	RBC Canadian Money Market Fund			1.5
Apple, Inc.		3.6		HSBC Bank Canada 1.170% Sep 19 12		2.7	
Exxon Mobil Corporation		3.2		Bay Street Funding Trust - Class A 1.208% Aug 23 12		2.6	
Chevron Corp		1.8		Toronto-Dominion Bank 1.250% Jan 3 13		2.5	
Microsoft Corporation		1.3		Canadian Imperial Bank of Commerce 1.138% Sep 28 12		2.5	
CVS Caremark Corp		1.3		Zeus Receivables Trust - Senior Notes 1.279% Sep 7 12		2.2	
				Cash & Cash Equivalents			1.6
Total % of top holding of underlying mutual funds							100.0

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Select Growth GIP

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying funds	\$ 649	\$ 442
Realized gain on sale of investments	117,768	82,468
Increase in unrealized appreciation of investments	637,393	150,996
	<u>755,810</u>	<u>233,906</u>
Expenses		
Management fees	153,933	139,439
Insurance fees	66,707	60,372
Other administrative expenses	95,427	86,654
	<u>316,067</u>	<u>286,465</u>
Net income (loss)	\$ 439,743	\$ (52,559)
Net income (loss) per unit		
Series 1	\$ 0.20	\$ (0.03)
Series 2	0.20	(0.03)

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying funds at fair value	\$ 20,908,770	\$ 20,801,622
Cash	19,954	975
Prepaid expenses	1,425	2,824
Due from RBC Life Insurance Company	1,521	-
	<u>20,931,670</u>	<u>20,805,421</u>
Liabilities		
Management fee payable	23,880	24,800
Insurance fee payable	9,984	10,378
Accounts payable and accrued liabilities	53,905	28,811
	<u>87,769</u>	<u>63,989</u>
Net assets	\$ 20,843,901	\$ 20,741,432
Net asset value per unit		
Series 1	\$ 9.53	\$ 9.33
Series 2	9.41	9.22

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 20,741,432	\$ 17,357,553
Premium deposits	2,127,464	5,255,772
Net income (loss)	439,743	(52,559)
	<u>23,308,639</u>	<u>22,560,766</u>
Less		
Withdrawals	2,464,738	1,621,545
	<u>2,464,738</u>	<u>1,621,545</u>
Net assets, end of the period	\$ 20,843,901	\$ 20,939,221
Number of units outstanding		
Series 1	401,861	412,003
Series 2	1,808,539	1,716,437

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Select Growth GIP

		6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
			Series 1	Series 2	Series 1	Series 2	
Management fees and insurance fees		2012	2.25	2.35	0.50 (1.00)	0.60 (1.10)	
(also see note 7)		2011	2.25	2.35	0.50 (1.00)	0.60 (1.10)	
Other expenses absorbed by the manager		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
(also see note 8)	Series 1	2012	2.84	\$ 59,299	3.02	\$ 56,121	2.84
		2011	2.83	53,277	2.83	53,277	2.83
	Series 2	2012	3.07	273,574	3.14	259,946	3.07
		2011	3.06	233,188	3.06	233,188	3.06
Sales and redemption of units			Balance as at January 1, 2010	Purchases during the period	Redemptions during the period	Balance as at June 30th	
(also see note 9)	Series 1	2012	416,533	21,106	(35,778)	401,861	
		2011	364,520	97,261	(49,778)	412,003	
	Series 2	2012	1,827,858	201,663	(220,982)	1,808,539	
		2011	1,397,561	431,943	(113,067)	1,716,437	
Investment in underlying fund at fair value (also see note 10)			Level 1	Level 2	Level 3	Total	
		2012	\$ 20,908,770	\$ -	\$ -	\$ 20,908,770	
		2011	20,849,921	-	-	20,849,921	
Schedule of invested assets			Number of units	Cost	% fund owned	Fair value	Fair value per unit
RBC Select Growth Portfolio Fund,		2012	947,045	\$ 19,825,890	87.9481	\$ 20,908,770	\$ 22.08
Series O		2011	922,053	19,187,126	93.4178	20,849,921	22.61

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Canadian Equity Fund		16.8	RBC Emerging Markets Equity Fund		5.4
Royal Bank of Canada	5.3		Taiwan Semiconductor Manufacturing		4.9
Toronto-Dominion Bank	5.1		Naspers Ltd		4.3
Bank of Nova Scotia	4.7		Samsung Electronics Co Ltd		4.1
Cash & Cash Equivalents	4.0		Vale SA ADR		4.0
Suncor Energy Inc.	3.6		China Mobile Ltd.		3.5
RBC U.S. Equity Fund		16.5	Phillips, Hager & North Canadian Growth Fund		5.3
Apple Inc.	4.6		Royal Bank of Canada		5.6
Cash & Cash Equivalents	3.9		Toronto-Dominion Bank		5.5
Exxon Mobil Corp.	3.2		Bank of Nova Scotia		4.9
General Electric Company	2.2		Suncor Energy Inc		3.7
Microsoft Corp.	2.1		Potash Corporation of Saskatchewan, Inc.		3.1
RBC Bond Fund		11.5	RBC Asian Equity Fund		5.0
Province of Ontario 4.200% Jun 2 20	3.0		Samsung Electronics Co Ltd		2.0
Province of Ontario 4.650% Jun 2 41	2.9		Mizuho Financial Group Inc		1.8
Province of Ontario 6.500% Mar 8 29	2.6		Sumitomo Mitsui Financial Group Inc		1.8
Canada Housing Trust No. 1 3.350% Dec 15 20	2.4		Mitsubishi UFJ Financial Group, Inc.		1.4
Province of Ontario 4.000% Jun 2 21	2.4		Astellas Pharma, Inc.		1.4
RBC European Equity Fund		8.3	RBC Canadian Dividend Fund		4.3
GlaxoSmithKline PLC	4.6		Cash & Cash Equivalents		8.2
Diageo PLC	3.5		Toronto-Dominion Bank		6.6
BT Group PLC	3.0		Royal Bank of Canada		6.5
Royal Dutch Shell PLC Class A	2.6		Bank of Nova Scotia		6.0
Kabel Deutschland AG	2.6		Canadian Imperial Bank of Commerce		3.7
RBC Global Bond Fund		7.6	RBC U.S. Mid-Cap Equity Fund		4.3
Japan Government Twenty Year JPY 1.600% Jun 20 30	6.0		Cash & Cash Equivalents		5.3
Japan 10-Year Bond Future, September 2012	4.9		Omega Healthcare Investors Inc. Real Estate Investment		2.5
Deutsche Bundesrepublik EUR 4.000% Jan 4 18	4.9		Realty Income Corp. Real Estate Investment Trust		2.0
United States Treasury 1.750% Mar 31 14	4.2		Everest Re Group Ltd.		1.9
United States Treasury 3.250% Dec 31 16	3.4		Taubman Centers Inc.		1.9
Phillips, Hager & North U.S. MSAC Equity Fund		6.8	Cash & Cash Equivalents		1.6
Apple, Inc.	3.6		RBC Canadian Money Market Fund		1.0
Exxon Mobil Corporation	3.2		HSBC Bank Canada 1.170% Sep 19 12		2.7
Chevron Corp	1.8		Bay Street Funding Trust - Class A 1.208% Aug 23 12		2.6
Microsoft Corporation	1.3		Toronto-Dominion Bank 1.250% Jan 3 13		2.5
CVS Caremark Corp	1.3		Canadian Imperial Bank of Commerce 1.138% Sep 28 12		2.5
RBC Global Dividend Growth Fund		5.6	Zeus Receivables Trust - Senior Notes 1.279% Sep 7 12		2.2
Chevron Corp.	4.2				
General Electric Company	4.2				
Union Pacific Corp.	4.0				
Pfizer Inc.	3.9				
BlackRock Inc.	3.8				
Total % of top holding of underlying mutual funds					100.0

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC Select Aggressive Growth GIP

Statement of Operations	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Income		
Distribution from underlying funds	\$ 36	261
Realized gain on sale of investments	43,716	20,693
Increase in unrealized appreciation of investments	197,344	50,249
	241,096	71,203
Expenses		
Management fees	46,564	45,996
Insurance fees	28,026	27,636
Other administrative expenses	28,845	28,458
	103,435	102,090
Net income (loss)	\$ 137,661	\$ (30,887)
Net income (loss) per unit		
Series 1	\$ 0.21	\$ (0.04)
Series 2	0.19	(0.05)

Statement of Net Assets	As at June 30, 2012	As at December 31, 2011
Assets		
Investments in underlying funds at fair value	\$ 5,866,031	\$ 6,163,436
Cash	2,729	-
Prepaid expenses	1,425	2,824
Due from RBC Life Insurance Company	9,782	6,590
	5,879,967	6,172,850
Liabilities		
Bank indebtedness	-	1,625
Management fee payable	6,965	7,600
Insurance fee payable	4,183	4,574
Accounts payable and accrued liabilities	29,241	19,638
	40,389	33,437
Net assets	\$ 5,839,578	\$ 6,139,413
Net asset value per unit		
Series 1	\$ 8.47	\$ 8.27
Series 2	8.35	8.17

Statement of Changes in Net Assets	Period from January 1 to June 30, 2012	Period from January 1 to June 30, 2011
Net assets, beginning of period	\$ 6,139,413	\$ 5,539,273
Premium deposits	455,914	1,560,516
Net income (loss)	137,661	(30,887)
	6,732,988	7,068,902
Less		
Withdrawals	893,410	359,872
	893,410	359,872
Net assets, end of the period	\$ 5,839,578	\$ 6,709,030
Number of units outstanding		
Series 1	104,265	101,026
Series 2	593,825	644,956

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC Select Aggressive Growth GIP

		6 months ending June 30		Annual Management Fee %		Annual Insurance Fee (Limit) %	
				Series 1	Series 2	Series 1	Series 2
Management fees and insurance fees (also see note 7)		2012		2.35	2.40	0.65 (1.15)	0.85 (1.35)
		2011		2.35	2.40	0.65 (1.15)	0.85 (1.35)
Other expenses absorbed by the manager (also see note 8)		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
	Series 1	2012	3.06	\$ 14,053	3.31	\$ 13,071	3.06
		2011	3.08	15,271	3.45	13,636	3.08
	Series 2	2012	3.40	96,390	3.65	90,364	3.40
		2011	3.40	97,928	3.76	88,454	3.40
Sales and redemption of units (also see note 9)				Balance as at January 1, 2010	Purchases during the period	Redemptions during the period	Balance as at June 30th
	Series 1	2012		102,900	23,806	(22,441)	104,265
		2011		89,565	15,098	(3,637)	101,026
	Series 2	2012		647,361	29,128	(82,664)	593,825
		2011		524,460	156,476	(35,980)	644,956
Investment in underlying fund at fair value (also see note 10)				Level 1	Level 2	Level 3	Total
		2012		\$ 5,866,031	\$ -	\$ -	\$ 5,866,031
		2011		6,738,577	-	-	6,738,577
Schedule of invested assets			Number of units	Cost	% fund owned	Fair value	Fair value per unit
RBC Select Aggressive Growth Portfolio		2012	690,967	\$ 5,570,563	95.7651	\$ 5,866,031	\$ 8.49
Fund, Series O		2011	762,869	6,126,455	98.1733	6,738,577	8.83

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Canadian Equity Fund		19.7	RBC U.S. Mid-Cap Equity Fund		7.2
Royal Bank of Canada	5.3		Cash & Cash Equivalents		5.3
Toronto-Dominion Bank	5.1		Omega Healthcare Investors Inc. Real Estate Investment		2.5
Bank of Nova Scotia	4.7		Realty Income Corp. Real Estate Investment Trust		2
Cash & Cash Equivalents	4.0		Everest Re Group Ltd.		1.9
Suncor Energy Inc.	3.6		Taubman Centers Inc.		1.9
RBC U.S. Equity Fund		17.8	RBC Global Dividend Growth Fund		5.7
Apple Inc.	4.6		Chevron Corp.		4.2
Cash & Cash Equivalents	3.9		General Electric Company		4.2
Exxon Mobil Corp.	3.2		Union Pacific Corp.		4.0
General Electric Company	2.2		Pfizer Inc.		3.9
Microsoft Corp.	2.1		BlackRock Inc.		3.8
RBC European Equity Fund		11.1	RBC Asian Equity Fund		5.5
GlaxoSmithKline PLC	4.6		Samsung Electronics Co Ltd		2.0
Diageo PLC	3.5		Mizuho Financial Group Inc		1.8
BT Group PLC	3.0		Sumitomo Mitsui Financial Group Inc		1.8
Royal Dutch Shell PLC Class A	2.6		Mitsubishi UFJ Financial Group, Inc.		1.4
Kabel Deutschland AG	2.6		Astellas Pharma, Inc.		1.4
RBC Canadian Dividend Fund		9.9	Phillips, Hager & North Canadian Growth Fund		4.9
Cash & Cash Equivalents	8.2		Royal Bank of Canada		5.6
Toronto-Dominion Bank	6.6		Toronto-Dominion Bank		5.5
Royal Bank of Canada	6.5		Bank of Nova Scotia		4.9
Bank of Nova Scotia	6.0		Suncor Energy Inc		3.7
Canadian Imperial Bank of Commerce	3.7		Potash Corporation of Saskatchewan, Inc.		3.1
Phillips, Hager & North U.S. MSAC Equity Fund		8.4	Cash & Cash Equivalents		1.5
Apple, Inc.	3.6		RBC Canadian Money Market Fund		0.1
Exxon Mobil Corporation	3.2		HSBC Bank Canada 1.170% Sep 19 12		2.7
Chevron Corp	1.8		Bay Street Funding Trust - Class A 1.208% Aug 23 12		2.6
Microsoft Corporation	1.3		Toronto-Dominion Bank 1.250% Jan 3 13		2.5
CVS Caremark Corp	1.3		Canadian Imperial Bank of Commerce 1.138% Sep 28 12		2.5
RBC Emerging Markets Fund		8.2	Zeus Receivables Trust - Senior Notes 1.279% Sep 7 12		2.2
Taiwan Semiconductor Manufacturing	4.9				
Naspers Ltd	4.3				
Samsung Electronics Co Ltd	4.1				
Vale SA ADR	4.0				
China Mobile Ltd.	3.5				
Total % of top holding of underlying mutual funds					100.0

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC DS Balanced Global GIP

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying fund	\$ -	\$ 12,840
Realized gain on sale of investments	578	12,786
Increase (decrease) in unrealized appreciation of investments	<u>37,066</u>	<u>(4,027)</u>
	37,644	21,599
Expenses		
Management fees	6,965	7,540
Insurance fees	2,124	2,209
Other administrative expenses	<u>4,485</u>	<u>4,883</u>
	13,574	14,632
Net income	\$ 24,070	\$ 6,967
Net income per unit		
Series 1	\$ 0.27	-
Series 2	<u>0.27</u>	<u>0.09</u>
Statement of Net Assets		
	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying funds at fair value	\$ 968,050	\$ 934,566
Prepaid expenses	1,424	2,822
Due from RBC Life Insurance Company	<u>9,592</u>	<u>9,670</u>
	979,066	947,058
Liabilities		
Bank indebtedness	1,708	2
Management fee payable	1,096	1,091
Insurance fee payable	334	333
Accounts payable and accrued liabilities	<u>23,692</u>	<u>17,466</u>
	26,830	18,892
Net assets	\$ 952,236	\$ 928,166
Net asset value per unit		
Series 1	\$ 10.74	10.46
Series 2	<u>10.76</u>	<u>10.49</u>
Statement of Changes in Net Assets		
	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 928,166	\$ 1,295,200
Premium deposits	-	91,260
Net income	<u>24,070</u>	<u>6,967</u>
	952,236	1,393,427
Less		
Withdrawals	-	520,749
	<u>-</u>	<u>520,749</u>
Net assets, end of the period	\$ 952,236	\$ 872,678
Number of units outstanding		
Series 1	500	500
Series 2	<u>88,023</u>	<u>80,934</u>

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC DS Balanced Global GIP

		6 months ending June 30		Annual Management Fee %		Annual Insurance Fee (Limit) %	
				Series 1	Series 2	Series 1	Series 2
Management fees and insurance fees (also see note 7)		2012		2.20	2.30	0.30 (0.80)	0.40 (0.90)
		2011		2.20	2.30	0.30 (0.80)	0.40 (0.90)
Other expenses absorbed by the manager (also see note 8)		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
	Series 1	2012	2.67	\$ 84	3.17	\$ 69	2.67
		2011	2.67	5,785	5.29	2,918	2.67
	Series 2	2012	2.87	16,135	3.45	13,505	2.87
		2011	2.88	29,391	7.23	11,714	2.88
Sales and redemption of units (also see note 9)				Balance as at January 1, 2010	Purchases during the period	Redemptions during the period	Balance as at June 30th
	Series 1	2012		500	-	-	500
		2011		49,542	-	(49,042)	500
	Series 2	2012		88,023	-	-	88,023
		2011		72,355	8,579	-	80,934
Investment in underlying fund at fair value (also see note 10)				Level 1	Level 2	Level 3	Total
		2012		\$ 968,050	\$ -	\$ -	\$ 968,050
		2011		869,431	-	-	869,431
Schedule of invested assets			Number of units	Cost	% fund owned	Fair value	Fair value per unit
RBC DS Balanced Global Fund, Series O		2012	89,214	\$ 922,534	99.8780	\$ 968,050	\$ 10.85
		2011	81,636	843,427	97.8809	869,431	10.65

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

	% of Assets	% of Assets		% of Assets	% of Assets
RBC DS U.S. Focus Fund		24.7	RBC DS International Focus Fund		15.6
Cash & Cash Equivalents	7.9		Rio Tinto Plc.	4.2	
Apple Inc.	4.6		Compass Group Plc.	4.2	
Exxon Mobil Corp.	3.3		Legal & General Group Plc.	4.1	
Pfizer Inc.	3.2		Vodafone Group Plc.	4.0	
Microsoft Corp.	3.1		Bayerische Motoren Werke (BMW) AG	3.9	
RBC Advisor Canadian Bond Fund		23.0	RBC Global Corporate Bond Fund		11.5
Canada Housing Trust No. 1 3.350% Dec 15 20	5.0		Royal Bk Of Scot 5.375% 30-09-2019	1.0	
Canada Housing Trust No. 1 2.200% Mar 15 14	4.4		Jpmorgan Chase 3.45% 01-03-2016	0.9	
Province of Ontario 3.150% Jun 2 22	3.0		Anheuser Busch Inbevde 6.375% 15-01-2040	0.7	
Province of Ontario 4.700% Jun 2 37	2.8		Citigroup 3.953% 15-06-2016	0.7	
Government of Canada 2.250% Aug 1 14	2.5		Georgia-Pacific 144A 5.4% 01-11-2020	0.7	
RBC DS Canadian Focus Fund		21.1	Cash & Cash Equivalents		4.1
Royal Bank of Canada	5.4				
Toronto-Dominion Bank	5.4				
Bank of Nova Scotia	5.3				
Canadian National Railway Co.	4.9				
Barrick Gold Corp.	4.4				
Total % of top holding of underlying mutual funds					100.0

RBC Guaranteed Investment Funds

Financial Statements

June 30, 2012

RBC DS Growth Global GIP

Statement of Operations	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Income		
Distribution from underlying funds	\$ -	\$ 2
Realized gain on sale of investments	6,955	980
Increase in unrealized appreciation of investments	13,035	4,966
	<u>19,990</u>	<u>5,948</u>
Expenses		
Management fees	2,829	2,076
Insurance fees	1,258	918
Other administrative expenses	1,739	1,289
	<u>5,826</u>	<u>4,283</u>
Net income	<u>\$ 14,164</u>	<u>\$ 1,665</u>
Net income per unit		
Series 1	\$ 0.25	\$ (0.10)
Series 2	0.41	0.06

Statement of Net Assets	As at <u>June 30, 2012</u>	As at <u>December 31, 2011</u>
Assets		
Investments in underlying funds at fair value	\$ 375,159	\$ 429,898
Prepaid expenses	1,424	2,821
Due from RBC Life Insurance Company	8,345	9,831
	<u>384,928</u>	<u>442,550</u>
Liabilities		
Bank indebtedness	799	2
Management fee payable	416	502
Insurance fee payable	187	220
Accounts payable and accrued liabilities	16,996	12,340
	<u>18,398</u>	<u>13,064</u>
Net assets	<u>\$ 366,530</u>	<u>\$ 429,486</u>
Net asset value per unit		
Series 1	\$ 10.61	\$ 10.31
Series 2	10.59	10.29

Statement of Changes in Net Assets	Period from January 1 to <u>June 30, 2012</u>	Period from January 1 to <u>June 30, 2011</u>
Net assets, beginning of period	\$ 429,486	\$ 249,293
Premium deposits	9,800	197,884
Net income	14,164	1,665
	<u>453,450</u>	<u>448,842</u>
Less		
Withdrawals	86,920	-
	<u>86,920</u>	<u>-</u>
Net assets, end of the period	<u>\$ 366,530</u>	<u>\$ 448,842</u>
Number of units outstanding		
Series 1	500	8,528
Series 2	34,116	33,178

The accompanying notes are an integral part of these financial statements.

RBC Guaranteed Investment Funds

Supplementary Information

June 30, 2012

RBC DS Growth Global GIP

		6 months ending June 30	Annual Management Fee %		Annual Insurance Fee (Limit) %		
			Series 1	Series 2	Series 1	Series 2	
Management fees and insurance fees (also see note 7)		2012	2.25	2.35	0.50 (1.00)	0.60 (1.10)	
		2011	2.25	2.35	0.50 (1.00)	0.60 (1.10)	
Other expenses absorbed by the manager (also see note 8)		6 months ending June 30	Annualized MER cap % ⁽¹⁾	Expense before waiver	MER before waiver %	Expense after waiver	MER after waiver %
	Series 1	2012	2.74	\$ 523	3.49	\$ 418	2.74
		2011	2.94	3,172	17.98	516	2.93
	Series 2	2012	3.01	8,008	4.48	5,408	3.01
		2011	2.95	23,590	18.48	3,767	2.95
Sales and redemption of units (also see note 9)				Balance as at January 1, 2010	Purchases during the period	Redemptions during the period	Balance as at June 30th
	Series 1	2012		8,528	-	(8,028)	500
		2011		500	8,028	-	8,528
	Series 2	2012		33,178	938	-	34,116
		2011		22,845	10,333	-	33,178
Investment in underlying fund at fair value (also see note 10)				Level 1	Level 2	Level 3	Total
		2012	\$	375,159	\$ -	\$ -	\$ 375,159
		2011		354,572	-	-	354,572
Schedule of invested assets			Number of units	Cost	% fund owned	Fair value	Fair value per unit
RBC DS Growth Global Fund, Series O		2012	34,371	\$ 352,980	99.6897	\$ 375,159	\$ 10.91
		2011	32,809	330,290	98.4958	354,572	10.81

¹⁾ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

	% of Assets	% of Assets		% of Assets	% of Assets
RBC DS U.S. Focus Fund		29.9	RBC Advisor Canadian Bond Fund		12.8
Cash & Cash Equivalents	7.9		Canada Housing Trust No. 1 3.350% Dec 15 20	5.0	
Apple Inc.	4.6		Canada Housing Trust No. 1 2.200% Mar 15 14	4.4	
Exxon Mobil Corp.	3.3		Province of Ontario 3.150% Jun 2 22	3.0	
Pfizer Inc.	3.2		Province of Ontario 4.700% Jun 2 37	2.8	
Microsoft Corp.	3.1		Government of Canada 2.250% Aug 1 14	2.5	
RBC DS Canadian Focus Fund		26.3	RBC Global Corporate Bond Fund		6.4
Royal Bank of Canada	5.4		Royal Bk Of Scot 5.375% 30-09-2019	1.0	
Toronto-Dominion Bank	5.4		Jpmorgan Chase 3.45% 01-03-2016	0.9	
Bank of Nova Scotia	5.3		Anheuser Busch Inbevde 6.375% 15-01-2040	0.7	
Canadian National Railway Co.	4.9		Citigroup 3.953% 15-06-2016	0.7	
Barrick Gold Corp.	4.4		Georgia-Pacific 144A 5.4% 01-11-2020	0.7	
RBC International Dividend Growth Fund		20.9	Cash & Cash Equivalents		3.7
Rio Tinto Plc.	4.2				
Compass Group Plc.	4.2				
Legal & General Group Plc.	4.1				
Vodafone Group Plc.	4.0				
Bayerische Motoren Werke (BMW) AG	3.9				
Total % of top holding of underlying mutual funds					100.0

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2012

1. THE FUNDS

RBC Guaranteed Investment Funds (“GIF”) and RBC Guaranteed Investment Portfolios (“GIP”) 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 PH&N Total Return Bond GIF
RBC Global Bond GIF
RBC Balanced GIF
RBC PH&N Monthly Income GIF
RBC Global Balanced GIF
RBC Canadian Dividend GIF
RBC Canadian Equity GIF
RBC O’Shaughnessy All Canadian Equity GIF
RBC DS Canadian Focus Fund GIF
RBC North American Growth GIF
RBC U.S. 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
RBC Select Balanced GIP
RBC Select Growth GIP
RBC Select Aggressive Growth GIP
RBC DS Balanced Global GIP
RBC DS Growth Global GIP

Both the funds and portfolios are referred to in these financial statements as collectively the “Funds” and individually the “Fund”. RBC Life Insurance Company, a related party, is the fund manager and 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 Funds invest in underlying mutual funds managed by RBC Global Asset Management Inc, a wholly owned subsidiary of Royal Bank of Canada. All investment transactions with the corresponding underlying RBC Global Asset Management Inc. managed mutual funds are at quoted market values.

The Funds pay management fees and insurance fees to RBC Life Insurance Company as disclosed in the Statements of Operations of each Fund as indicated in the Supplementary Information.

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

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2012

2. CHANGES IN ACCOUNTING STANDARDS

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. In January 2011, AcSB announced that the adoption by investment funds would be delayed to January 1, 2014. As a result, IFRS will be adopted by the Funds on January 1, 2014 and its first set of IFRS compliant financial statements will be for the year ending December 31, 2014.

3. 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 mutual 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 mutual 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, insurance fees, legal fees, audit fees, operations and administration 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 Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2012

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 on each Fund's Supplementary Information presents the details of units held by each Fund as at June 30, 2012 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. For further information on the financial instruments risk of the underlying fund and the sensitivity to price changes please refer to the financial statements of the underlying fund which are filed on Sedar.

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 advisors 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 funds 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. This decline may reduce, or even eliminate, any return the Fund has earned on the security. On the other hand, a Fund may also benefit from changes in exchange rates. Currency exposure may increase the volatility of foreign investments 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 instruments 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.

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2012

4. FINANCIAL INSTRUMENTS RISK (continued)

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 interested in a particular security or market. Difficulty in selling securities may result in a 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. A valuation date occurs every day that the principal exchange is open for trading and a value is available for the assets of the relevant fund. The Toronto Stock Exchange currently is the principal exchange used for purposes of determining the valuation dates.

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 events. 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 Global 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.

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 on 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 Information Folder. The Information Folder also details the specific risks that the underlying mutual funds could be exposed to. Such risks 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.

6. CAPITAL MANAGEMENT

CICA Handbook section 1535 "Capital Disclosure", requires that the Fund disclose information about its objectives, policies and process for managing capital including disclosure of any externally imposed capital requirements and the consequences of any non-compliance. The Funds consider their net assets to be their respective capital, the relevant capital movements are disclosed in the Statement of Changes in Net Assets. The Funds have no externally imposed capital requirements.

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.

RBC Guaranteed Investment Funds

Notes to the Financial Statements

June 30, 2012

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.

Management fees and other administrative expenses charged to the Funds are subject to the Harmonized Sales Tax (HST) in Ontario, Nova Scotia, New Brunswick and Newfoundland and Labrador. Based on the rules and guidance issued by the Department of Finance, the effective HST rate will reflect the tax rates that are applicable in the Provinces/Territories where the Fund's unitholders reside. Since each fund will have unitholders in more than one Province/Territory, the blended rate will be a weighted average based on the tax rate in each Province/Territory and the value of unitholder assets. Therefore the blended rate is likely to be different for each Fund.

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.

9. 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.

10. FAIR VALUE

Investments recorded at fair value on the Funds' Statement of Net Assets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by Section 3862 and directly related to the amount of subjectivity associated with inputs to fair valuation of these assets, are as follows:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. Quoted price for these investments are not adjusted even in situations where a large position and a sale could reasonably impact the quoted price.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

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 clients. As a leading provider of individual living benefits and life insurance products in Canada, RBC Life Insurance Company offers a comprehensive portfolio of individual and group life and health insurance solutions, including term and universal life insurance, group benefits, disability, critical illness, and long term care insurance as well as segregated funds and payout annuities.

For more information, please visit www.rbcinsurance.com



RBC Insurance