



Tax-Exempt Income by State

Certain states do not tax mutual fund dividends derived from interest on obligations issued by their state. However, they may tax dividends derived from interest on obligations of other states. The following table shows the percentage of exempt-interest dividends derived from obligations in each state or territory. To determine the amount which may be exempt from state income tax, (1) add together the total amount of income dividends and short-term capital gain dividends you received during 2011 as reported on your account statements; (2) subtract the amount reported in Box 1a of Form 1099-DIV from the amount determined in (1) above; and (3) multiply the result by the percentage shown in the table below for your state or territory.

State & Territory	Tax-Free Money Market Fund
Alabama	0.64%
Alaska	1.97%
Arkansas	0.00%
Arizona	1.27%
California	3.29%
Colorado	2.77%
Connecticut	1.37%
Delaware	0.00%
District of Columbia	3.52%
Florida	4.60%
Guam	0.00%
Georgia	3.48%
Hawaii	0.00%
Idaho	0.00%
Illinois	4.48%
Indiana	4.99%
Iowa	1.47%
Kansas	1.66%
Kentucky	3.14%
Louisiana	0.76%
Maine	0.00%
Maryland	3.56%
Massachusetts	0.56%
Michigan	3.46%
Minnesota	6.85%
Mississippi	1.27%
Missouri	0.79%

State & Territory	Tax-Free Money Market Fund
Montana	1.55%
Nebraska	0.51%
Nevada	0.19%
New Hampshire	0.39%
New Jersey	2.34%
New Mexico	0.33%
New York	8.18%
North Carolina	1.61%
North Dakota	0.00%
Ohio	0.19%
Oklahoma	0.00%
Oregon	0.20%
Pennsylvania	8.83%
Puerto Rico	0.00%
Rhode Island	0.52%
South Carolina	2.79%
South Dakota	0.86%
Tennessee	0.13%
Texas	7.85%
U.S. Virgin Islands	0.00%
Utah	1.69%
Vermont	0.16%
Virginia	5.64%
Washington	1.61%
West Virginia	0.00%
Wisconsin	5.30%
Wyoming	0.04%

None of this income is subject to the Alternative Minimum Tax ("AMT").

This notice is provided to you for informational purposes only and should not be considered tax advice. Please consult your tax advisor for further assistance.

For any other questions, please contact the Funds at 800.422.2766.

Income from U.S. Government Securities

During the calendar year, certain RBC Funds invested in securities issued by the United States government or other federal agencies (collectively, "U.S. Government Securities"). Many states do not tax the portion of your Fund's ordinary distributions that comes from U.S. Government Securities. The table below lists the percentage of Fund ordinary distributions that were derived from these U.S. Government Securities.

California, Connecticut and New York require that a mutual fund meet certain minimum investment thresholds in U.S. Government Securities in order for the dividend income derived from these obligations to be exempt from state income tax. None of the Funds listed below met those requirements.

To determine the amount which may be exempt from state income tax:

(1) For each Fund you owned during 2011, subtract the total amount of short-term capital gain distributions you received during calendar year 2011 (as reported on your account statements) from the amount reported in Box 1a ("Total ordinary dividends") of Form 1099-DIV.

(2) Multiply the result by the percentage in the table below to calculate the amount of U.S. Government Securities income that may be exempt from your state and local taxes.

Fund Name	Percent of Ordinary Income from U.S. Government Securities
Prime Money Market Fund	6.19%
U.S. Government Money Market Fund	22.17%

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Before investing, you should carefully consider a fund's investment objectives, risks, charges and expenses. This and other information is included in the prospectus, which you can request by visiting <http://us.rbcgam.com/mutual-funds/literature/order/money-market-funds/default.js> or calling 800.422.2766. Please read the prospectus carefully before investing.

An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Money Market Funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in them. These risks are more fully described in the prospectus.

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