



RBC Global Bond Fund

Fund Category
Global Fixed Income

Morningstar Rating™
★★★★

Investment Objective

To achieve above average long-term total returns comprised of interest income and some capital growth, by taking advantage of interest rate and currency fluctuations in world fixed-income markets.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF267
Adv	Front End	CAD	RBF765
Adv	Low Load	CAD	RBF117
F	No Load	CAD	RBF603
I	No Load	CAD	RBF217

Inception Date	July 1991
Total Assets \$Mil	1,279.0
Series A NAV \$	10.28
Series A MER %	1.68
Benchmark	Citigroup World Gov Bond (\$C hedged)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

Management Company	RBC Asset Management Inc.
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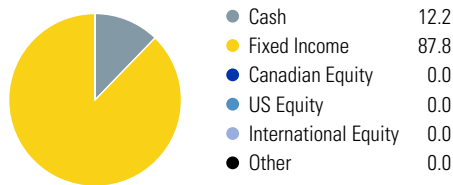
Web Site	www.rbcam.com
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Notes

Minimum investment for Series I units of the Fund is \$500,000. Minimum additional investment is \$5,000.

Portfolio Analysis as of July 31, 2010

Asset Mix



Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	61.8
Corporate Bonds	25.7
Other Bonds	0.2
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	12.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
AAA	41.2	1 - 5 Yrs	44.9
AA	25.1	5 - 10 Yrs	33.5
A	9.9	Over 10 Yrs	21.6
BBB	7.2		
BB	9.1	Avg. Term to maturity (Yrs)	7.1
B	2.2	Duration (Yrs)	5.4
Below B	0.1	Yield to Maturity	2.8
NR/NA	5.2		

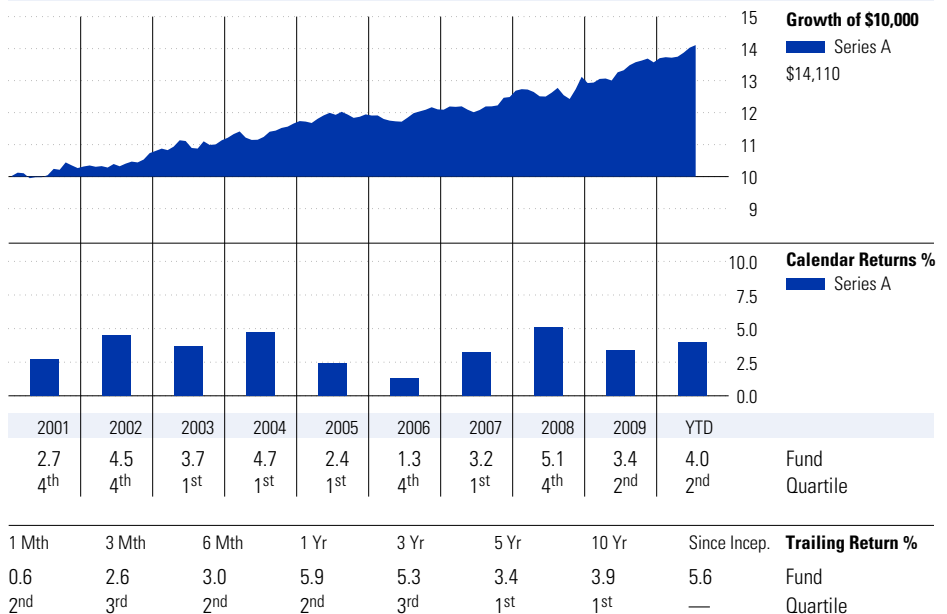
Top Geographic Allocations

Geographic Allocation	% Assets
United States	19.9
Canada	16.4
Japan	12.9
Germany	9.5
Italy	6.6

Top Ten Holdings

Top Ten Holdings	% Assets
Cash & Cash Equivalents	6.6
United States Treas Nts 1.75% 31-03-2014	4.6
Italy(Rep Of) 3.5% 01-06-2014	3.8
Japan(Govt Of) 0.7% 20-09-2014	3.6
Germany(Fed Rep) 5.5% 04-01-2031	2.3
Germany(Fed Rep) 3.5% 12-04-2013	2.2
United States Treas Nts 0.87% 31-05-2011	2.1
Japan(Govt Of) 2.1% 20-06-2029	2.0
United States Treas Nts 4.25% 15-11-2017	1.7
Quebec City 5.625% 21-06-2011	1.7
Total % of Top 10 Holdings	30.6
Total Number of Stock Holdings	0
Total Number of Bond Holdings	265
Total Number of Other Holdings	10
Total Number of Holdings	275

Performance Analysis as of July 31, 2010





RBC Global Bond Fund

Management Overview

Manager Bios

Dagmara Fijalkowski

RBC Asset Management Inc.

Dagmara Fijalkowski is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies.

Soo Boo Cheah

RBC Asset Management UK Limited

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

Performance Analysis Cont'd as of July 31, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.11	0.23	0.34	0.51	0.27	0.40	0.32	0.32	0.08	0.34
Interest	0.11	0.23	0.34	0.28	0.27	0.26	0.32	0.32	0.08	0.34
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	0.23	—	0.14	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	4-1993	25.8	3-1995	15.3	11-1996	11.9	10-2001	7.4
Worst	1-2000	-12.5	12-2001	-2.9	10-2003	-0.3	10-2008	1.1
Average		5.4		4.6		4.3		3.9
No. of Periods		214		190		166		106
Pct. Positive		87.9		95.3		98.8		100.0

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

Quarterly Commentary as at June 30, 2010

The RBC Global Bond Fund (Series A) returned 2.3%, compared to 2.4% for the Citigroup World Government Bond Index (hedged into Canadian dollar).

Our decision to shun European government bonds and reduce foreign exchange hedges benefited Fund performance; however, overall interest-rate decisions and exposure to credit bonds did not.

Most government bond markets posted strong gains as concern over the fallout from the fiscal woes of highly-indebted European countries prompted investors to seek the relative safety of government-debt securities. In Europe, the German government bond yield reached new lows and outperformed others in the euro-bloc as investors continued to divest Greek, Portuguese, Irish, Spanish and Italian bonds.

Rating agencies also helped boost performance of the better-quality bond market as Moody's downgrade of Greek government bonds resulted in their removal from widely followed indices, thus

creating further selling pressure in fiscally weak European government bonds. Emerging market bonds were not sheltered entirely from the risk-off sentiment and questionable global growth backdrop, and pared back their outperformance year-to-date.

Earlier this year, improving economic conditions, fiscal woes, threat of inflation and rate hikes, all suggested that higher yields would eventually arrive. However, weaker economic conditions have delayed this outcome and are expected to keep bond yields in the lower end of recent ranges in the near term. We expect to continue holding fewer short- and intermediate-maturity Japanese government bonds in favour of short-maturity Canadian debt. European government spreads are expected to start tightening relative to bunds as euro-sceptic sentiments subside in line with political commitments to tackle the euro-area issues. The Fund is positioned to benefit from steady growth and we expect U.S. treasury bonds to underperform.

RBC Global Bond Fund

Disclosure

RBC Funds are offered by RBC Asset Management Inc. and distributed through authorized dealers. RBC Global Asset Management (RBC GAM) comprises RBC Asset Management Inc. (RBC AM), Phillips, Hager & North Investment Management Ltd. (PH&N) and RBC Global Asset Management (U.S.) Inc., which are separate legal entities owned by Royal Bank of Canada.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus of the mutual fund before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or covered by the Canadian Deposit Insurance Corporation or by any other government deposit insurer. The value of mutual funds change frequently and past performance may not be repeated.

The Top 25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on investment of any fund.

This fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in this fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in this fund profile without seeking the advice of an appropriate professional advisor.

For money market funds, the performance data assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. In addition, for money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm. Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are

subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A units of the Fund as of July 31, 2010.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of July 31, 2010. The ratings are subject to change every month. The ratings are calculated for funds with a minimum of 3 years of performance, calculated from the funds' 1 and 3 year average annual returns measured against a 91-day Treasury Bill return with appropriate fee adjustments. The top 10% of the funds in a category receive 5 stars (high); if the funds fall in the next 22.5%, they receive 4 stars (above average); a place in the middle 35% earns a fund 3 stars (neutral or average); those in the next 22.5% receive 2 stars (below average); and the lowest 10% get 1 star (low). Ratings are just one factor to consider when investing. For more information, please see www.morningstar.ca.

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