



# RBC Global High Yield Fund

**Fund Category**  
High Yield Fixed Income

**Morningstar Rating™**  
★★★★★

## Investment Objective

To provide above-average total returns comprised of interest income and capital growth and achieve a yield advantage.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF579
Adv	Deferred Sales	CAD	RBF801
Adv	Front End	CAD	RBF701
Adv	Low Load	CAD	RBF119
F	No Load	CAD	RBF901

Inception Date	July 2003
Total Assets \$Mil	284.4
Series A NAV \$	9.77
Series A MER %	1.68
Benchmark	50% JP Emerging Mkt* 50% Citigroup HY*

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](http://www.rbcam.com)

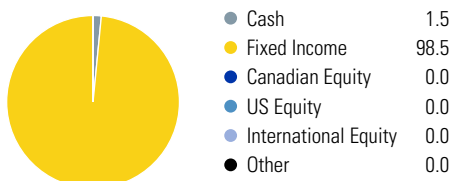
## Notes

\* Hedged to \$C

Series A units of the fund launched July 17, 2003.

## Portfolio Analysis as of July 31, 2010

### Asset Mix



### Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	25.9
Corporate Bonds	68.2
Other Bonds	4.4
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.5
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
AAA	0.0	1 - 5 Yrs	22.8
AA	0.5	5 - 10 Yrs	54.7
A	3.5	Over 10 Yrs	22.5
BBB	21.4		
BB	39.9	Avg. Term to maturity (Yrs)	8.8
B	28.6	Duration (Yrs)	5.7
Below B	2.7	Yield to Maturity	7.2
NR/NA	3.5		

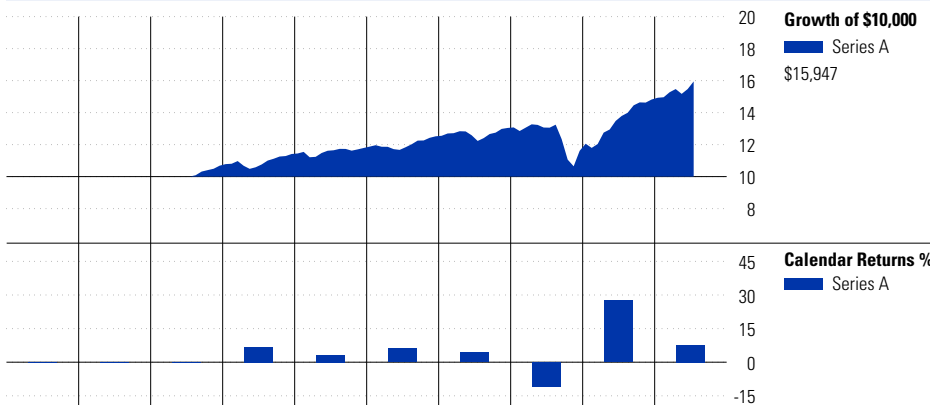
### Top Geographic Allocations

Geographic Allocation	% Assets
United States	54.2
Canada	5.5
Turkey	4.1
Brazil	3.4
Netherlands	3.1

### Top Ten Holdings

Top Ten Holdings	% Assets
Russian Federation 7.5% 31-03-2030	2.5
Ford Motor Credit Co 12% 15-05-2015	2.1
Republic Of Turkey 7.375% 05-02-2025	2.0
Sprint Cap 6.875% 15-11-2028	1.9
Pemex Proj Fdg Master Tr 5.75% 01-03-2018	1.7
Venezuela Rep 9.25% 15-09-2027	1.7
Cash & Cash Equivalents	1.5
Brazil Federative Rep 5.875% 15-01-2019	1.5
Indonesia(Rep Of) 6.875% 17-01-2018	1.5
Philippines Rep 9.375% 18-01-2017	1.3
<b>Total % of Top 10 Holdings</b>	<b>17.7</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	189
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>190</b>

## Performance Analysis as of July 31, 2010



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD	Fund Quartile
Calendar Returns %	—	—	—	6.8	3.3	6.2	4.2	-10.9	27.6	7.6	2nd
	—	—	—	2nd	2nd	3rd	1st	2nd	2nd	1st	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Value	3.1	3.1	6.8	15.6	9.3	6.5	—	6.7	Fund Quartile
Quartile	1st	1st	1st	2nd	1st	1st	—	—	Quartile



# RBC Global High Yield Fund

## Management Overview

### Manager Bios

#### Jane Lesslie

##### RBC Asset Management UK Limited

Jane Lesslie is Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

#### Frank Gambino

##### RBC Asset Management Inc.

Frank Gambino is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. He has been in the Investment Industry since 1990.

### Performance Analysis Cont'd as of July 31, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.29	0.52	0.67	1.50	0.51	0.61	0.90	0.95	—	—
Interest	0.29	0.52	0.67	0.55	0.51	0.44	0.40	0.15	—	—
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	0.95	—	0.17	0.50	0.80	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	11-2009	37.4	7-2010	9.3	4-2010	6.6	—	—
Worst	11-2008	-18.0	11-2008	-3.1	11-2008	0.3	—	—
Average		6.4		4.5		4.5		—
No. of Periods		73		49		25		—
Pct. Positive		87.7		91.8		100.0		—

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

### Quarterly Commentary as at June 30, 2010

In the second quarter, the RBC Global High Yield Fund (Series A) returned 1.3%, while the blended benchmark returned 0.5%, hedged back to the Canadian dollar.

After reaching lows in April, risk premiums in both markets snapped wider during the quarter as concerns over European sovereign risk prompted wider concerns about the ability of the financial system to withstand possible sovereign defaults. Already struggling against a rising tide of risk aversion, markets were further buffeted as reported global economic data began to weaken raising concerns about the outlook for global growth.

The Fund's asset allocation weightings at quarter end (43% emerging markets /57% U.S. high yield) weighed on performance as U.S. high yield bonds slightly underperformed the emerging market bonds. We continue to believe the higher risk premiums in U.S. high yield, coupled with its reduced sensitivity to U.S. treasury yields (which we believe will rise over the medium term

weighing on bond returns), recommend this higher relative position.

The higher-risk end of the high-yield corporate spectrum was harder hit during the quarter falling 0.9%, while BB rated bonds returned a positive 0.9%. The Fund was aided by its greater emphasis on higher-quality bonds relative to benchmark. Sound fundamentals and falling default rates are expected to further support the high-yield sector.

Our emerging market allocations came under pressure as investments in emerging market corporate bonds were hit proportionately harder. An allocation to the Brazilian real also weighed on the Fund. However, this is expected to rebound with risk appetite and offers considerable additional yield relative to the Index in a better quality country within the emerging market realm. We also took advantage of a plunge of Chinese property sector bond prices to once again add higher-quality bonds in this sector to our Portfolio at attractive yields.

# RBC Global High Yield 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](http://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](http://www.morningstar.ca).

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