



# RBC Global High Yield Bond 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	610.1
Series A NAV \$	9.95
Series A MER %	1.76
Benchmark	50% JPM EMBI Glb Div* 50% BOA ML US HY BB-B*

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

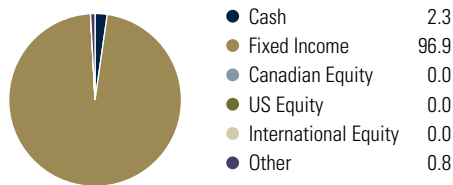
\* Hedged to \$C

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

Fund name changed effective June 29, 2011. Fund previously known as RBC Global High Yield Fund.

## Portfolio Analysis as of December 31, 2011

### Asset Mix



### Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	29.6
Corporate Bonds	67.8
Other Bonds	0.4
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	2.3
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
AAA	1.1	1 - 5 Yrs	16.3
AA	0.7	5 - 10 Yrs	66.0
A	5.2	Over 10 Yrs	17.6
BBB	24.9		
BB	40.1	Avg. Term to maturity (Yrs)	8.5
B	19.2	Duration (Yrs)	5.7
Below B	0.7	Yield to Maturity	6.2
NR/NA	8.1		

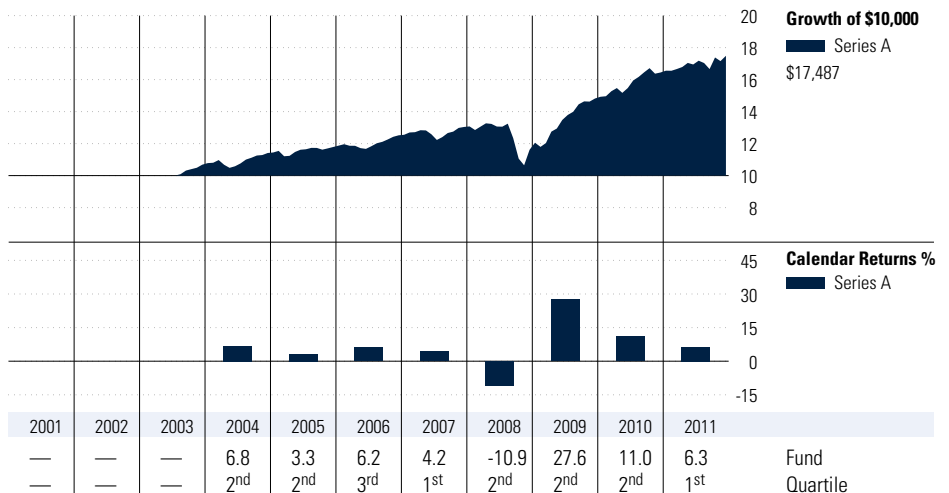
### Geographic Allocations

Geographic Allocation	% Assets
Canada	10.0
United States	46.4
International (ex – Emerging Markets)	7.7
Emerging Markets	35.9

### Top 25 Holdings

Top 25 Holdings	% Assets
Peru Rep 7.35% 21-07-2025	1.8
Philippines Rep 6.375% 15-01-2032	1.6
Govt Of Indonesia 6.875% 17-01-2018	1.6
Venezuela Rep 9.25% 15-09-2027	1.6
Pemex Proj Fdg Maste Tr 6.625% 15-06-2035	1.4
Republic Of Turkey 7.5% 14-07-2017	1.4
Indonesia Rep 4.875% 05-05-2021	1.4
Colombia Rep 7.375% 18-03-2019	1.2
Russian Federation 7.5% 31-03-2030	1.2
Brazil Federative Rep 7.125% 20-01-2037	1.2
Pemex Proj Fdg Master Tr 5.75% 01-03-2018	1.1
Windstream 7% 15-03-2019	1.1
CSC Hldgs 144A 6.75% 15-11-2021	1.1
Reynolds Grp Issuer 7.125% 15-04-2019	1.0
Panama Rep 7.125% 29-01-2026	1.0
Ingles Mkts 8.875% 15-05-2017	1.0
Petroleos Mexicanos 6% 05-03-2020	1.0
Aes 8% 15-10-2017	0.9
Rep Orient Del Uruguay 7.625% 21-03-2036	0.9
Seagate Hdd Cayman 7.75% 15-12-2018	0.9
Lamar Media 7.875% 15-04-2018	0.9
Ford Motor Credit Co 6.625% 15-08-2017	0.9
Republic Of Lebanon 9.0% 20-03-2017	0.9
Intl Lease Fin 8.625% 15-09-2015	0.9
Intelsat Jackson 144A 7.25% 01-04-2019	0.9
<b>Total % of Top 25 Holdings</b>	<b>29.1</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	160
Total Number of Other Holdings	4
<b>Total Number of Holdings</b>	<b>164</b>

## Performance Analysis as of December 31, 2011



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
1.9	5.0	3.2	6.3	14.6	6.9	—	6.7	Fund
2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	—	—	Quartile



# RBC Global High Yield Bond 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 Global 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 December 31, 2011

Distributions (\$)/Unit	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.51	0.52	0.52	0.67	1.50	0.51	0.61	0.90	0.95	—	—
Interest	0.51	0.52	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	11-2011	17.2	5-2011	7.8	—	—
Worst	11-2008	-18.0	11-2008	-3.1	11-2008	0.3	—	—
Average		6.9		6.1		5.6		—
No. of Periods		90		66		42		—
Pct. Positive		90.0		93.9		100.0		—

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

### Quarterly Commentary as at December 31, 2011

During the 4th Quarter, the RBC Global High Yield Bond Fund (Series A) returned 5.0% against the benchmark return of 5.3%.

The Fund performance was aided by its overweight position in U.S. corporate high-yield bonds relative to emerging markets (EM) bonds. Lower than index weightings in high risk EM countries weighed on Fund returns. This was offset to some degree by below benchmark weightings in Hungary and Egypt as unorthodox sovereign economic policies were penalized by markets.

As concerns receded following European summits and coordinated global central bank action, investor risk appetite returned, although liquidity in secondary markets (U.S. high yield and EM) continued. Corporate spreads, or risk premiums, were further strengthened by continued strong earnings reports. We continue to overweight U.S. high yield due to the more generous spreads

available in U.S. high yield coupled with improved relative momentum.

Corporate sector weightings experienced little change through the quarter. We remain constructive toward U.S. high yield bonds given solid company fundamentals.

In light of recessionary expectations in the Eurozone, allocations to Latin America and Asia were increased during this quarter. This decision was strengthened by better than expected economic data from China which provided reassurance regarding the outlook for trade balances across Latin America. Due to better relative value, we have been monitoring eastern European exposure, and await signs that European sovereigns will be able to meet a demanding funding calendar in early 2012 before making significant shifts away from our current asset mix.



# RBC Global High Yield Bond Fund

## Disclosure

RBC Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

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.

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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).

MER (%) based on actual expenses for full year period January 1 to December 31, 2011.

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 December 31, 2011.

Morningstar ratings are overall ratings reflecting risk adjusted performance as December 31, 2011. 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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