



# RBC Managed Payout Solution

## Fund Category

Canadian Fixed Income Balanced

## Morningstar Rating™

★★★★

## Investment Objective

To provide a high regular monthly income with a potential for modest capital appreciation and to provide relatively tax efficient distributions consisting primarily of interest income and, to a lesser degree, dividend income, realized capital gains and a return of capital.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF581
Adv	Deferred Sales	CAD	RBF854
Adv	Front End	CAD	RBF754
Adv	Low Load	CAD	RBF121
F	No Load	CAD	RBF661

Inception Date	August 2004
Total Assets \$Mil	2,338.7
Series A NAV \$	9.37
Series A MER %	1.62
Benchmark	DEX Universe Bond Index
Income Distribution	Monthly
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

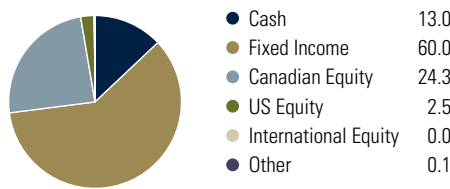
### Distribution Summary

Monthly Distribution	3.95¢/unit
Current Payout Rate*	5.06%

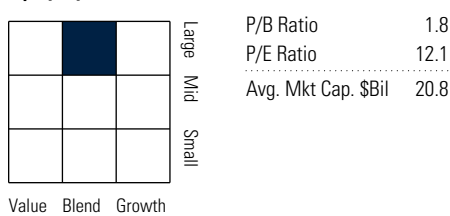
\*Assuming 12 consecutive months at the monthly distribution set out above. The estimate does not include any year-end capital gains distributions paid in addition to the regular monthly distribution nor should it be confused with performance or rates of return.

## Portfolio Analysis as of December 31, 2011

### Asset Mix



### Equity Style



### Top 5 Sectors

Sector	% Equity
Financials	38.2
Energy	24.6
Materials	10.0
Industrials	7.0
Consumer Discretionary	6.1

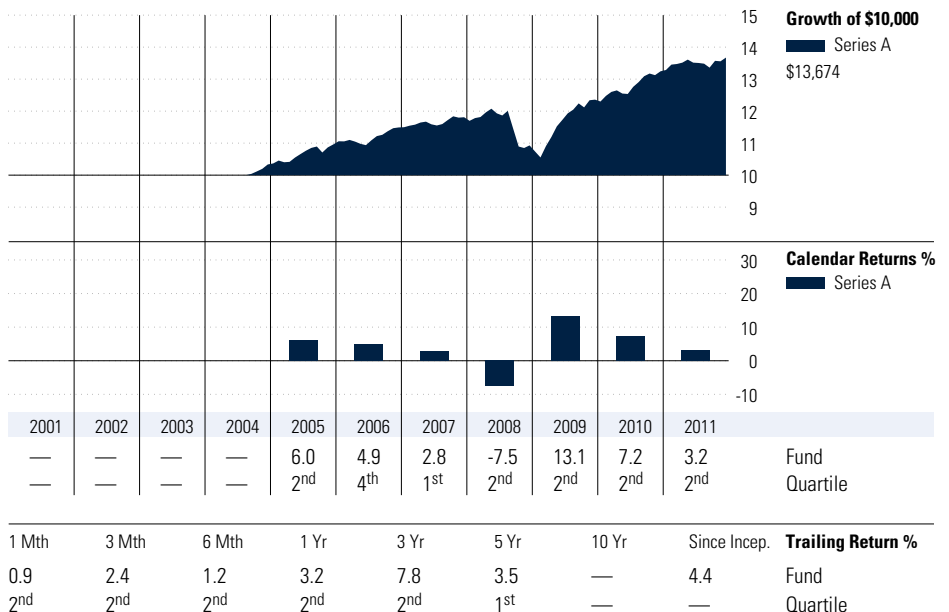
### Income-Generating Asset-Class

Asset-Class	% Assets
Investment-Grade Corporate Bonds	34.3
Common Shares	26.9
Government Bonds	21.9
Other	13.2
High Yield Bonds	3.6
Preferred Shares	0.1

### Top Holdings

Top Holdings	% Assets
RBC Global Corporate Bond	17.4
RBC Bond	17.4
RBC Canadian Short Term Income	17.4
RBC Canadian Dividend	13.8
RBC Managed Payout Solution-Enhanc PI	13.2
RBC Monthly Income	13.1
RBC Canadian Money Market	3.9
Total % of Top 25 Holdings	96.1
Total Number of Portfolio Holdings	8
Total Number of Stock Holdings	215
Total Number of Bond Holdings	793
Total Number of Other Holdings	149
<b>Total Number of Underlying Holdings</b>	<b>1,157</b>

## Performance Analysis as of December 31, 2011





# RBC Managed Payout Solution

## Management Overview

### Manager Bios

#### Sarah Riopelle

#### RBC Global Asset Management Inc.

Sarah Riopelle is Portfolio Manager, Investment Solutions. She has been in the investment industry since 1996.

### Performance Analysis Cont'd as of December 31, 2011

Distributions (\$)/Unit	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.47	0.46	0.45	0.51	0.69	0.51	0.46	0.14	—	—	—
Interest	0.07	0.15	0.14	0.16	0.23	0.27	0.23	0.07	—	—	—
Dividends	0.06	0.07	0.06	0.06	0.04	0.03	0.04	0.02	—	—	—
Capital Gains	0.02	—	—	—	0.33	0.08	0.10	0.02	—	—	—
Return Of Capital	0.32	0.24	0.25	0.30	0.10	0.13	0.09	0.04	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2010	18.2	12-2011	7.8	5-2011	4.4	—	—
Worst	2-2009	-10.4	2-2009	-1.5	6-2010	3.3	—	—
Average		4.4		3.4		3.8		—
No. of Periods		77		53		29		—
Pct. Positive		87.0		90.6		100.0		—

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

### Quarterly Commentary as at December 31, 2011

In the 4th quarter, the RBC Managed Payout Solution (Series A) posted a return of 2.4% versus 2.1% for its benchmark.

The Portfolio held an overweight position in equities versus the benchmark and an underweight position in fixed income. This asset mix had a positive effect on performance as stocks outperformed bonds this period.

Bond yields in Canada and other major fixed-income markets declined somewhat, sending bonds higher, as investors continued to gravitate to fixed-income securities perceived as offering a degree of safety. All of the Portfolio's income-producing investments had a positive impact on performance, with significant contributions coming from the RBC Managed Payout Solution – Enhanced Plus, the RBC Bond Fund, the RBC Monthly Income Fund and the RBC Global Corporate Bond Fund.

The Portfolio's sole equity fund, the RBC Canadian Dividend Fund, contributed significantly to

performance, as stocks rebounded from the prior quarter.

Our models indicate that the U.S. is not in a recession, but there is a risk that it could fall into one next year. While Canada appears relatively healthy, it would be unusual for the economy to significantly decouple from the U.S. Therefore, we forecast a downshift in Canadian economic growth for 2012. Although growth will remain weak, depressed stock-market valuations provide upside potential, and as a result we remain modestly overweight equities.

Most major countries continue to enjoy near-record-low bond yields. It is unclear how long depressed yields will last, but we believe it will be difficult for yields to move sustainably lower unless the feared collapse of the Eurozone becomes reality. Overall, we expect yields to rise in any environment that includes modest growth and progress towards crisis resolution. We continue to maintain our underweight position in fixed income.



# RBC Managed Payout Solution

## 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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