



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	1,833.5
Series A NAV \$	10.40
Series A MER %	1.76
Benchmark	Citigroup World Gov Bond (\$C hedged)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

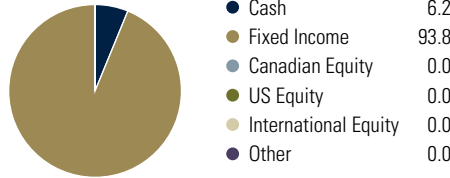
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Notes

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

Portfolio Analysis as of December 31, 2011

Asset Mix



Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	64.7
Corporate Bonds	22.3
Other Bonds	6.8
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	6.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
AAA	43.1	1 - 5 Yrs	43.4
AA	22.1	5 - 10 Yrs	28.9
A	6.2	Over 10 Yrs	27.7
BBB	6.0		
BB	8.0	Avg. Term to maturity (Yrs)	7.9
B	0.7	Duration (Yrs)	5.8
Below B	0.0	Yield to Maturity	2.4
NR/NA	13.9		

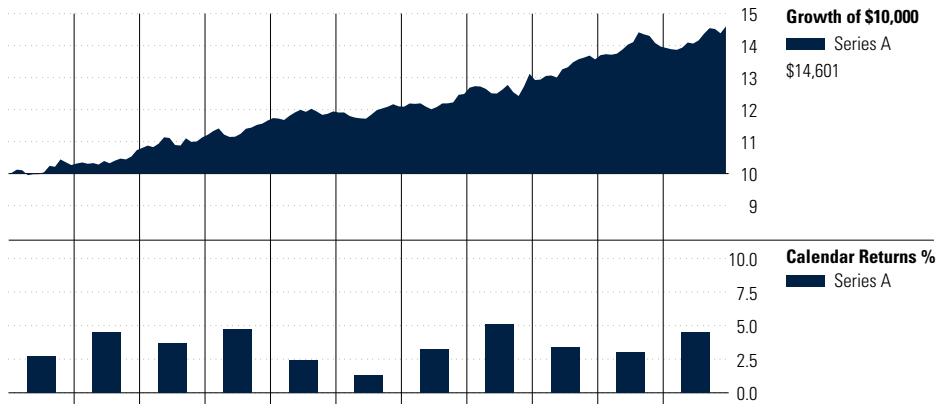
Geographic Allocations

Geographic Allocation	% Assets
Canada	11.8
United States	16.4
International (ex - Emerging Markets)	62.7
Emerging Markets	9.2

Top 25 Holdings

Top 25 Holdings	% Assets
Japan 10-Year Bond Future	6.8
United Kingdom (Govt Of) 4% 07-03-2022	4.1
US Treasury Note 0.25% 30-11-2013	2.8
Japan(Govt Of) 1.6% 20-06-2030	2.3
Japan(Govt Of) 2.1% 20-06-2029	2.2
Ontario Prov Cda 4.1% 16-06-2014	2.2
US Treasury Note 1.75% 31-03-2014	2.1
Italy(Rep Of) 5% 01-08-2039	2.1
Germany (Fed Rep Of) 3% 04-07-2020	2.0
Euro Inv Bk 2.5% 15-07-2015	2.0
United Kingdom (Govt Of) 4.25% 07-09-2039	2.0
Euro Inv Bk 1.4% 20-06-2017	1.9
Japan Govt 0.800% 20-12-2015	1.8
Eksportfinans Asa 1.6% 20-03-2014	1.7
Germany (Federal Rep Of) 2.5% 10-10-2014	1.5
Germany (Republic Of) 5.5% 04-01-2031	1.4
European Union 2.5% 04-12-2015	1.4
Germany (Rep Of) 4% 04-01-2018	1.4
Netherlands (Kingdom of) 4.5% 15-07-2017	1.3
US Treasury Bond 4.5% 15-08-2039	1.3
Dev Bk Japan 2.3% 19-03-2026	1.3
France(Govt Of) 3.5% 25-04-2026	1.2
Japan Govt 1.700% 20-09-2017	1.1
Depfa Acs Bk 1.65% 20-12-2016	1.1
Canada Govt 2.5% 01-06-2015	1.1
Total % of Top 25 Holdings	50.2
Total Number of Stock Holdings	0
Total Number of Bond Holdings	222
Total Number of Other Holdings	12
Total Number of Holdings	234

Performance Analysis as of December 31, 2011



Period	Calendar Returns %	Fund Quartile
2001	2.7	4th
2002	4.5	4th
2003	3.7	1st
2004	4.7	1st
2005	2.4	1st
2006	1.3	4th
2007	3.2	1st
2008	5.1	4th
2009	3.4	1st
2010	3.0	2nd
2011	4.5	3rd

Period	Trailng Return %	Fund Quartile
1 Mth	1.5	1st
3 Mth	0.4	2nd
6 Mth	3.8	3rd
1 Yr	4.5	3rd
3 Yr	3.6	2nd
5 Yr	3.8	2nd
10 Yr	3.6	1st
Since Incep.	5.4	—



RBC Global Bond Fund

Management Overview

Manager Bios

Dagmara Fijalkowski

RBC Global 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 December 31, 2011

Distributions (\$)/Unit	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	0.17	0.17	0.23	0.34	0.51	0.27	0.40	0.32	0.32	0.08	0.34
Interest	0.17	0.17	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		5.2		4.6		4.2		3.8
No. of Periods		231		207		183		123
Pct. Positive		88.3		95.7		98.9		100.0

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

Quarterly Commentary as at December 31, 2011

In the 4th quarter, the RBC Global Bond Fund (Series A) posted a return of 0.4%, compared to 0.9% for its benchmark.

The portfolio was structured defensively within its European allocation which contributed to performance. Investments in emerging markets and high yield debt recovered from previous quarter losses and contributed to performance. Increased exposure to selected higher yielding sovereign bonds also had a positive impact on performance. The investment in Exportfinans (a AA+ government backed export financing agency of Norway) suffered forced selling by investors after the Norwegian government decided to wind down its operation causing a 5-notch downgrade by Moody's. This caused a significant negative impact on overall performance.

Policymakers have yet to spark strong recoveries that would help tackle mounting government debt

loads. The downside is that bond-valuation models have lost much of their effectiveness in an environment where policymakers intervene in markets at every turn. The portfolio manager believes that while global debt woes linger and consumers reduce their debt levels, economic growth is likely to stay below trend.

Against this backdrop, bond yields should continue to hover in the range established over the past two years. Unfortunately, with yields this low, even a move to the middle of this range would wipe out coupon gains from the government holdings, so we need to continue looking for ways to add income and protection to the portfolio. We will continue to evaluate and acquire attractive high yield, emerging markets, corporate and agency bonds, while managing tail risk with duration and currency calls. This strategy should help preserve capital in today's uncertain investment climate, while preparing for the recovery stage of the cycle.



RBC Global 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.

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.

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