

RBC DIVERSIFIED FUND USD FIXED INCOME

NAV as of 30.12.2011

USD 98.32

OBJECTIVES

The investment objective for the USD Fixed Income subfund is medium term capital gains with a prudent diversification of risk.

Highlights

- Aims to provide attractive returns relative to the benchmark.
- Invests in a diversified portfolio of investment grade bonds and other debt instruments issued by Governments, Supra-nationals and Corporate entities with a minimum credit rating of A+ / A1 as established by Standard & Poor's or Moody's credit rating service.
- The duration of the fund will be +/- 2 years relative to the benchmark.
- Exposure will be primarily to the US Dollar however investments in other currencies are permitted.

Benchmark

Bloomberg/EFFAS Bond Indices US Govt 1-10 Years Total Return (US10TR).

COMMENTARY

The least one can say is that the year under review will not have been uneventful – in all areas: economic, political and geopolitical.

The calamitous state of the euro zone was the main focus of attention for investors. Their nerves were sorely tried, particularly by the risk of a Greek default and by European politicians' indecision and endless discussions. But problems stemming from huge budget deficits also burdened other countries such as Italy, Spain, Portugal and Ireland, all of which saw their credit ratings lowered several notches by the rating agencies, obliging them to refinance their debt at low interest rates that stoked fears of a domino effect in the euro zone.

The United States also had its credit rating cut by one notch, while its debt reached critical levels. As for the economy, whereas growth in the industrialised countries had picked up strongly in 2010, economic figures published throughout this past year have proved less encouraging, even giving rise to a possible slide back into recession. The uncertainties surrounding the world economic situation and the euro zone crisis will continue to have a strong influence on the equity and bond markets.

The accommodative monetary policies put in place since 2008 by central banks will likely be continued during 2012, so key lending rates will stay at historically low levels. The financial markets will also be strongly influenced by geopolitical events, notably in the Middle East, as well as by an important election year in several Western countries.

FUND DATA

Fund Domicile	Switzerland	Fees	Subscription max. 2.00%
Fund Administrator	SIF Swiss Investment Funds SA	Management	max. 1.00%
Fund Manager	Royal Bank of Canada (Suisse) SA	Custody	max. 0.25%
Custodian Bank	Royal Bank of Canada (Suisse) SA	EU Savings Tax status	Tax on Distributions & Redemptions / Sales
Valoren N°	1665784	Publications	
ISIN	CH0016657840	Newspapers	Le Temps, Neue Zuercher Zeitung
Inception date	30.09.2003	Reuters	1665784.S
Subscription / Redemption	Daily	Bloomberg	RBCFIUS SW
Minimum Investment	1 unit	Telekurs	1665784
Dividend Reports	Semi-annual 30th April 31st October	Internet	www.swiss-if.ch
		Auditors	PriceWaterhouseCoopers, Geneva

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ROYAL BANK OF CANADA (SUISSE) SA

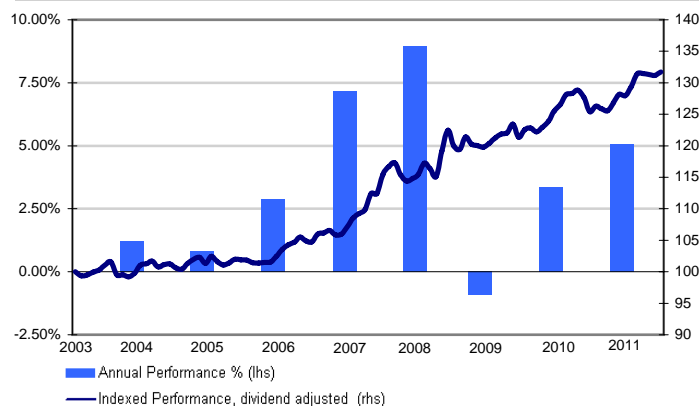


LIPPER
FUND AWARDS 2009
SWITZERLAND

Morningstar Rating™

★★★★

HISTORICAL PERFORMANCE (%)



PERFORMANCE (%)

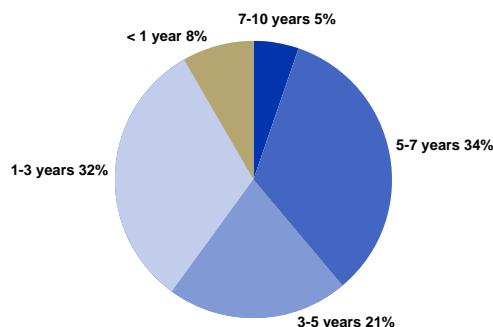
	December	3 Months	YTD	1 Year	3 Years **	2010
Fund *	0.44	0.18	5.03	5.03	2.46	3.35
Benchmark ***	0.61	0.72	7.25	7.25	3.44	4.93

* net of fees, dividend adjusted

** annualized performances

*** benchmark until March 31, 2009 : Merrill Lynch US Treasuries 1-10 years index in USD

MATURITY PROFILE



MAJOR HOLDINGS

Issuer	Coupon	Maturity date	%
USA	4.00%	15.08.2018	15%
USA	3.125%	31.01.2017	13%
USA	4.25%	15.08.2015	11%
USA	4.25%	15.08.2013	9%
USA	7.25%	15.05.2016	8%

ADDITIONAL DATA

Fund size (millions) :	USD 101.75
Performance since inception (cumulated) :	31.72%
Average duration :	3.63 years
Yield to maturity :	1.15%
Average maturity :	3.98 years
Average coupon :	4.07%
Total Expense Ratio :	1.02%

The prospectus, the statutes and the current semi-annual and annual reports can be obtained free of charge from Royal Bank of Canada (Suisse) SA and SIF Swiss Investment Funds SA. This document is not a solicitation to subscribe to any of the Funds described herein and is by way of information only. Performance data does not take into account the fees and commissions received for the issuance and the redemption of units. Subscriptions are valid only if made on the basis of the current prospectus and the statutes and the most recent semi-annual and annual reports for the relevant fund. Past performance is not guarantee of future performance.