

RBC DIVERSIFIED FUND USD FIXED INCOME

NAV as of 31.05.2010

USD 97.05

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

31.03.2010

The beginning of the year was marked by rather mixed economic figures in the USA, notably as regards retail sales, jobs and real estate, while in Europe economic recovery remained very hesitant. Moreover, questions concerning the public finances of certain countries in the euro zone revived fears of default. Against this backdrop, expectations of a rise in key interest rates diminished, allowing bond markets to stay well on track.

December job losses, at 85,000 proved considerably worse than market expectations, before stabilising somewhat during January and February. Consumption recovered slightly over this same period, following a disappointing performance over the holiday period. Nonetheless, on a rolling annual basis, GDP rebounded sharply in the fourth quarter (+0.10%) as against a contraction of 2.6% in the previous one.

Economic recovery in the industrialised countries is likely to remain moderate and non-inflationary, with key interest rates stable and a reasonably upward sloping rate curve. In this context, bond yields should move within a trading range.

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 & Redemption / Sales
Valoren N°	1665784	Publications	Newspapers
ISIN	CH0016657840		Le Temps, Neue Zuercher Zeitung
Inception date	30.09.2003		1665784.S
Subscription / Redemption	Daily		RBCFIUS SW
Minimum Investment	1 unit		1665784
Dividend Reports	Semi-annual 30th April 31st October		Internet www.swiss-if.ch
		Auditors	PriceWaterhouseCoopers, Geneva

CONTACTS

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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.

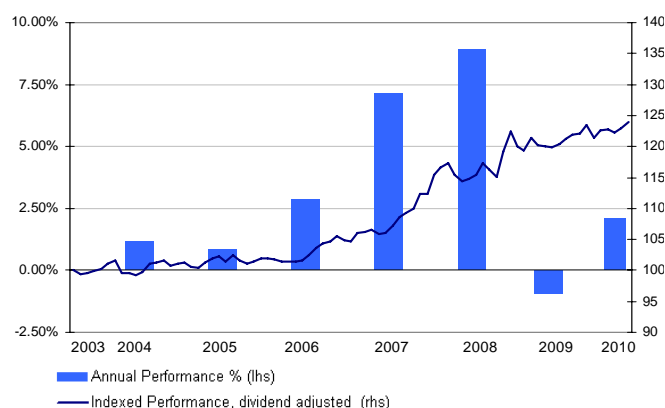
ROYAL BANK OF CANADA (SUISSE) SA



Morningstar Rating™



HISTORICAL PERFORMANCE (%)



PERFORMANCE (%)

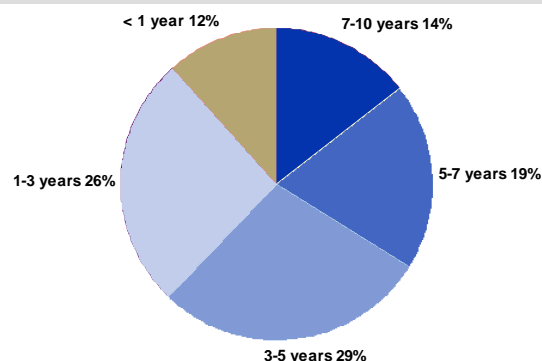
	May	3 Months	YTD	1 Year	3 Years **	2009
Fund *	0.81	0.89	2.11	3.23	5.39	-0.91
Benchmark ***	1.35	1.58	3.12	4.10	6.78	-1.64

* 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	14 %
USA	5.00 %	15.02.2011	7 %
USA	4.25 %	15.08.2013	7 %
Eksportfinans	5.00 %	14.02.2012	7 %
USA	4.875 %	15.02.2012	5 %

ADDITIONAL DATA

Fund size (millions) :	USD 111.79
Performance since inception (cumulated) :	23.92 %
Average duration :	3.71 years
Yield to maturity :	1.90 %
Average maturity :	4.11 years
Average coupon :	4.52 %
Total Expense Ratio :	1.06 %