

# RBC DIVERSIFIED FUND CHF FIXED INCOME

NAV as of 31.08.2010

CHF 102.16

## OBJECTIVES

The investment objective for the Swiss Franc 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 Swiss Franc however investments in other currencies are permitted.

### Benchmark

Bloomberg/EFFAS Bond Indices Switzerland Govt 1-10 Years Total Return (SZ10TR).

## COMMENTARY

30.06.2010

Bond market trends were particularly positive during the period under review, due mainly to the uncertain outlook for economic growth in general, and particularly in Europe where there are fears that the drive to clean up the public finances could tip the economy back into recession. Under these conditions, investors focused mainly on Government bonds at the expense of more risky assets such as corporate debt.

Despite this rather gloomy environment, the Swiss economy fared reasonably well compared with its European neighbours. Consumer confidence continued to improve while the unemployment rate dropped from 4.2% to 4%. This pushed the Swiss franc up against the euro, prompting the Swiss central bank to intervene in the foreign exchange markets several times, without any real success.

The turmoil in European public finances has benefited Swiss bonds, with the yield on 10-year government bonds falling sharply to a record low of 1.43%.

Economic recovery in the industrialised countries is likely to remain moderate and non-inflationary, with stable key interest rates and a reasonably upwards sloping yield curve. In this environment bond yields can be expected to move within a trading range.

## FUND DATA

<b>Fund Domicile</b>	Switzerland	<b>Fees</b>	Subscription max. 2.00%
<b>Fund Administrator</b>	SIF Swiss Investment Funds SA	Management	max. 1.00%
<b>Fund Manager</b>	Royal Bank of Canada (Suisse) SA	Custody	max. 0.25%
<b>Custodian Bank</b>	Royal Bank of Canada (Suisse) SA	<b>EU Savings Tax status</b>	Not taxable
<b>Valoren N°</b>	1665782	<b>Publications</b>	Newspapers
<b>ISIN</b>	CH0016657824		Le Temps, Neue Zuercher Zeitung
<b>Inception date</b>	30.09.2003		1665782.S
<b>Subscription / Redemption</b>	Daily		RBCFICH SW
<b>Minimum Investment</b>	1 unit		1665782
<b>Dividend</b>	Semi-annual		Internet www.swiss-if.ch
<b>Reports</b>	30th April 31st October	<b>Auditors</b>	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

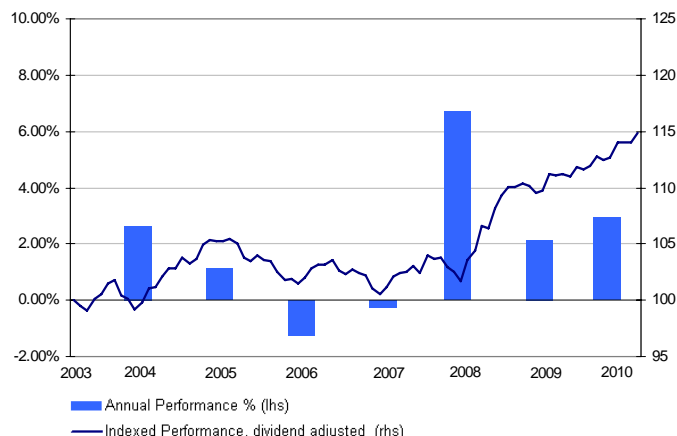


LIPPER  
FUND AWARDS 2009  
SWITZERLAND

Morningstar Rating™



## HISTORICAL PERFORMANCE (%)



## PERFORMANCE (%)

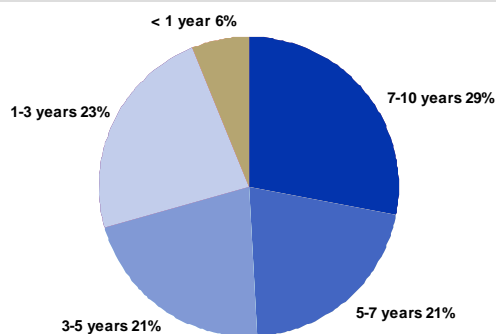
	August	3 Months	YTD	1 Year	3 Years **	2009
Fund *	0.77	0.75	2.94	3.41	4.01	2.14
Benchmark ***	1.21	1.39	3.99	4.99	5.68	3.89

\* net of fees, dividend adjusted

\*\* annualized performances

\*\*\* benchmark until March 31, 2009 : Merrill Lynch Swiss Government 1-10 years index in CHF

## MATURITY PROFILE



## MAJOR HOLDINGS

Issuer	Coupon	Maturity date	%
Switzerland	3.00 %	08.01.2018	28 %
Switzerland	4.25%	06.01.2014	16 %
Switzerland	2.50 %	12.03.2016	16 %
Switzerland	4.00 %	11.02.2013	10 %
Switzerland	2.75 %	10.06.2012	10 %

## ADDITIONAL DATA

Fund size (millions) :	CHF 10.41
Performance since inception (cumulated) :	14.91 %
Average duration :	4.30 years
Yield to maturity :	0.74 %
Average maturity :	4.67 years
Average coupon :	3.24 %
Total Expense Ratio :	1.25 %