

RBC DIVERSIFIED FUND CHF FIXED INCOME

NAV as of 30.12.2011

CHF 103.16

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

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 | Not taxable |
| Valoren N° | 1665782 | Publications | Newspapers Le Temps, Neue Zuercher Zeitung |
| ISIN | CH0016657824 | | |
| Inception date | 30.09.2003 | Reuters | 1665782.S |
| Subscription / Redemption | Daily | Bloomberg | RBCFICH SW |
| Minimum Investment | 1 unit | Telekurs | 1665782 |
| Dividend Reports | Semi-annual 30th April 31st October | Internet | www.swiss-if.ch |
| | | Auditors | PriceWaterhouseCoopers, Geneva |

CONTACTS

SIF Swiss Investment Funds SA
Quai du Seujet, 26
1211 Geneva 2 - Switzerland
Tel. + 41 22 918 73 88
Fax + 41 22 918 73 89
e-mail: info@swiss-if.ch
Internet: www.swiss-if.ch

For subscriptions and redemptions please, contact:
Royal Bank of Canada (Suisse) SA
Rue François-Diday 6
1204 Geneva - Switzerland
Tel. +41 22 819 42 42
Fax +41 22 819 43 43
www.rbcwminternational.com

ROYAL BANK OF CANADA (SUISSE) SA

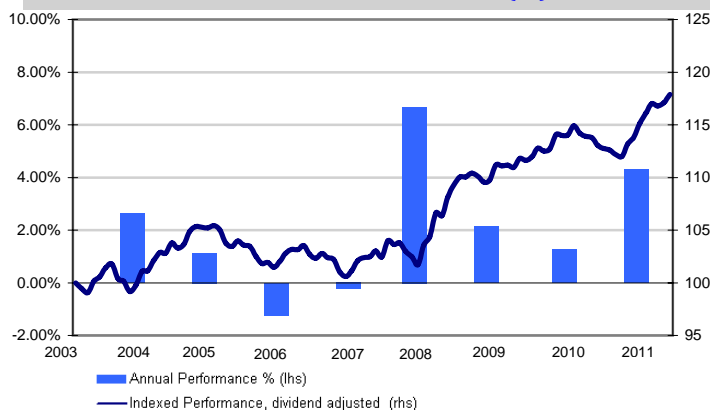


LIPPER
FUND AWARDS 2009
SWITZERLAND

Morningstar Rating™



HISTORICAL PERFORMANCE (%)



PERFORMANCE (%)

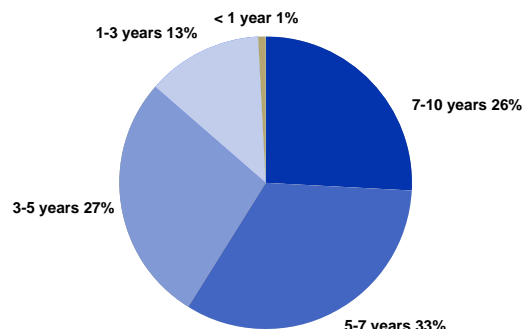
| | December | 3 Months | YTD | 1 Year | 3 Years ** | 2010 |
|---------------|----------|----------|------|--------|------------|------|
| Fund * | 0.68 | 0.77 | 4.30 | 4.30 | 2.56 | 1.26 |
| Benchmark *** | 0.70 | 1.06 | 5.83 | 5.83 | 4.02 | 2.36 |

* 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 | 2.25% | 06.07.2020 | 24% |
| Switzerland | 3.00% | 08.01.2018 | 21% |
| Switzerland | 2.50% | 12.03.2016 | 13% |
| Rabobank Netherland | 2.50% | 19.02.2013 | 8% |
| Switzerland | 4.250% | 05.06.2017 | 6% |

ADDITIONAL DATA

| | |
|---|------------|
| Fund size (millions) : | CHF 9.83 |
| Performance since inception (cumulated) : | 17.89% |
| Average duration : | 5.04 years |
| Yield to maturity : | 0.67% |
| Average maturity : | 5.46 years |
| Average coupon : | 2.75% |
| Total Expense Ratio : | 1.22% |