



RBC Life Science and Technology Fund

Fund Category
Science & Technology Equity

Morningstar Rating™
★★★

Investment Objective

To provide long-term capital growth by investing primarily in equity securities of U.S. companies whose businesses relate to life sciences and technology and are expected to benefit from scientific and technological advances.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF274
F	No Load	CAD	RBF619

Inception Date	July 1995
Total Assets \$Mil	86.2
Series A NAV \$	5.09
Series A MER %	2.10
Benchmark	50% S&P 500 Health Care 50% S&P 500 Info Tech (measured in \$C)

Income Distribution	Annually
Capital Gains Distribution	Annually

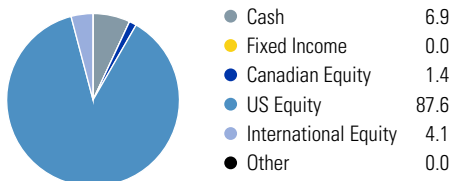
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Management Company RBC Asset Management Inc.

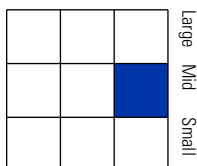
Web Site www.rbcam.com

Portfolio Analysis as of July 31, 2010

Asset Mix



Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	3.5
P/E Ratio	20.3
Avg Mkt Cap \$Bil	7.7

Top 5 Sectors

Sector	% Equity
Information Technology	83.4
Health Care	16.0
Telecommunications Services	0.6
Consumer Discretionary	0.0
Consumer Staples	0.0

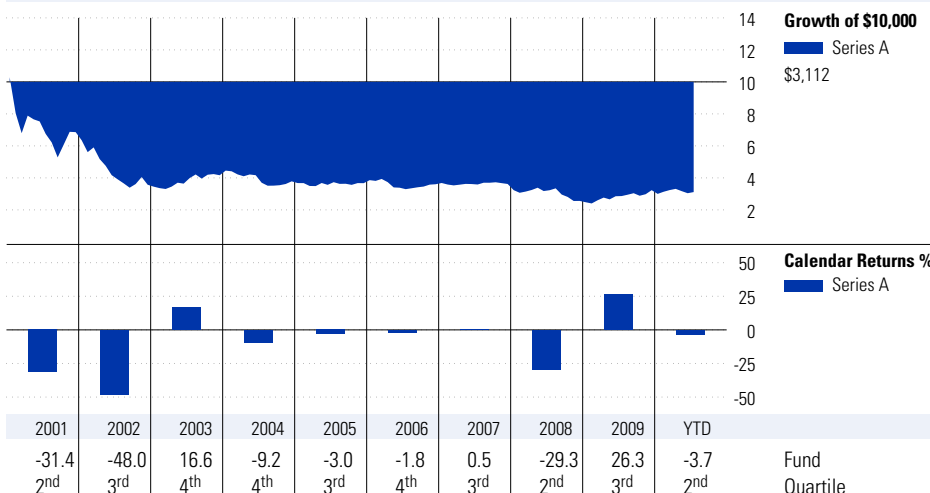
Top Geographic Allocations

Geography	% Assets
United States	87.6
Canada	8.3
Germany	1.6
Singapore	0.9
United Kingdom	0.6

Top Ten Holdings

Company	% Assets
Cash & Cash Equivalents	6.9
Apple, Inc.	3.0
VMware, Inc.	2.9
EMC Corporation	2.4
NetApp, Inc.	1.7
Oracle Corporation	1.7
Broadcom Corporation	1.7
OmniVision Technologies, Inc.	1.6
Salesforce.com, Inc.	1.6
Edwards Lifesciences	1.6
Total % of Top 10 Holdings	25.1
Total Number of Stock Holdings	88
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	89

Performance Analysis as of July 31, 2010



Period	Trailing Return %	Quartile
1 Mth	2.3	Fund
3 Mth	-6.1	Fund
6 Mth	3.8	3rd
1 Yr	8.7	2nd
3 Yr	-4.6	2nd
5 Yr	-3.6	4th
10 Yr	-12.8	3rd
Since Incep.	-0.1	—



RBC Life Science and Technology Fund

Management Overview

Manager Bios

Ray Mawhinney

RBC Asset Management Inc.

Ray Mawhinney is Senior Vice President, U.S. and Global Equities. He has been in the investment industry since 1984.

Cameron Scrivens

RBC Asset Management Inc.

Cameron Scrivens is Vice President and Senior Portfolio Manager, U.S. and Global Equities. He has been in the Investment Industry since 1992.

Performance Analysis Cont'd as of July 31, 2010

Distributions (\$)/Unit	YTD*	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Distributions	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1Yr	Ended	3Yr	Ended	5Yr	Ended	10Yr
Best	2-2000	138.3	2-2000	48.4	8-2000	34.7	7-2005	1.7
Worst	9-2001	-61.9	2-2003	-37.9	8-2005	-23.8	2-2010	-13.9
Average		3.8		2.5		-0.8		-3.9
No. of Periods		169		145		121		61
Pct. Positive		54.4		35.9		22.3		14.8

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

Quarterly Commentary as at June 30, 2010

The RBC Life Science and Technology Fund (Series A) declined 6.1% in the second quarter, compared to a 6.9% loss for its benchmark.

Both the Information Technology and Health Care sectors had weak relative performance as Utilities, Telecommunication Services and Consumer Staples provided a hiding place for investors during the market sell-off.

The Fund benefited from a significant overweight position in Information Technology as we believed that the health care industry would be under pressure due to steps by the U.S. government toward health care reform. Fund performance also benefitted from its weighting in communication equipment and semiconductor companies. Mergers and acquisitions continued in the Technology sector and the Fund benefited from SAP's offer to acquire Sybase Inc. Our positions in software companies such as, VMware and technology products companies such as, Apple, performed well. In Health Care, companies which

outperformed were those believed by investors to be immune to the challenges presented by the recent passage of the Health Care Reform Bill, such as hospitals, drug distributors and health care services.

We expect the passage of health care legislation to entice investors back to the sector. The proposed legislation does not seem to be as onerous as early drafts of the reform language suggested, and therefore we expect price-earnings ratios to expand in the second half of 2010.

At the depths of last year's equity-market declines, technology companies were as attractively priced as they had been in several decades. On the consumer side, new versions of Microsoft's Windows 7, smart phones and other devices from Apple and Research In Motion are in store for 2010. We continue to believe that the sector is reasonably priced and anticipates another strong performance in 2010.

Major Buys

Bristol-Myers Squibb Co.
Akamai Technologies Inc.
Ariba Inc.

Major Sells

Sybase Inc.
Mylan Laboratories
Vertex Pharmaceuticals Inc.



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Disclosure

RBC Funds are offered by RBC Asset Management Inc. and distributed through authorized dealers. RBC Global Asset Management (RBC GAM) comprises RBC Asset Management Inc. (RBC AM), Phillips, Hager & North Investment Management Ltd. (PH&N) and RBC Global Asset Management (U.S.) Inc., which are separate legal entities owned by Royal Bank of Canada.

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.

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.

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 July 31, 2010.

Morningstar ratings are overall ratings reflecting risk adjusted performance as of July 31, 2010. 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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