



RBC Global Health Sciences Fund

Fund Category
Health Care Equity

Morningstar Rating™
★★★

Investment Objective

To provide long-term capital growth by investing in equity securities of various companies around the world that develop, design, produce and deliver products and services related to health care services and medicine.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF573
Adv	Deferred Sales	CAD	RBF809
Adv	Front End	CAD	RBF709
Adv	Low Load	CAD	RBF180
F	No Load	CAD	RBF631

Inception Date	December 2000
Total Assets \$Mil	8.2
Series A NAV \$	7.81
Series A MER %	2.15
Benchmark	MSCI World - Healthcare (measured in \$C)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

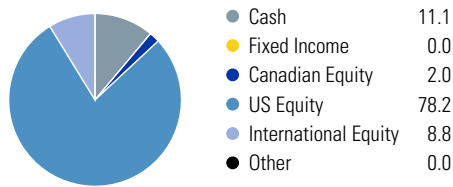
Management Company	RBC Asset Management Inc.
Web Site	www.rbcam.com

Notes

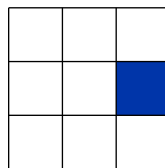
Fund name changed effective July 4, 2006.

Portfolio Analysis as of July 31, 2010

Asset Mix



Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	2.4
P/E Ratio	16.2
Avg Mkt Cap \$Bil	7.2

Top 5 Sectors

Sector	% Equity
Health Care	98.6
Industrials	1.4
Consumer Discretionary	0.0
Consumer Staples	0.0
Energy	0.0

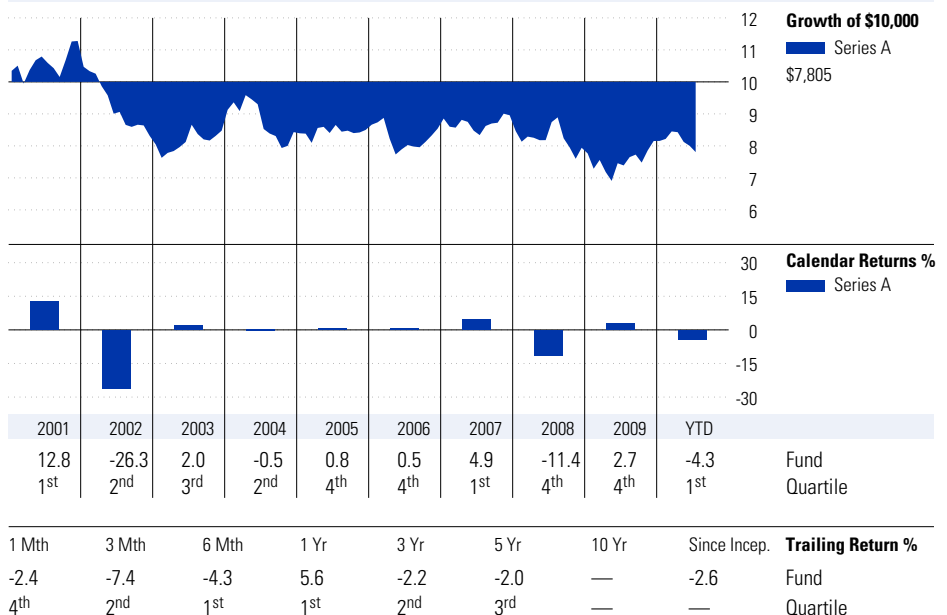
Top Geographic Allocations

Geography	% Assets
United States	78.2
Canada	13.1
United Kingdom	4.5
Denmark	3.1
Japan	1.1

Top Ten Holdings

Holder	% Assets
Cash & Cash Equivalents	11.1
Shire PLC ADR	4.5
Express Scripts	3.6
AmerisourceBergen Corporation	3.5
Novo Nordisk A/S ADR	3.1
Merck & Co Inc	3.0
Edwards Lifesciences	3.0
UnitedHealth Group, Inc.	3.0
Perrigo Company	2.6
Arena Pharmaceuticals, Inc.	2.2
Total % of Top 10 Holdings	39.8
Total Number of Stock Holdings	57
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	58

Performance Analysis as of July 31, 2010





RBC Global Health Sciences 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	2-2004	22.7	2-2006	4.6	12-2007	1.5	—	—
Worst	12-2002	-26.3	11-2004	-10.8	5-2006	-6.2	—	—
Average		-2.5		-2.0		-1.9		—
No. of Periods		104		80		56		—
Pct. Positive		41.3		20.0		25.0		—

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

Quarterly Commentary as at June 30, 2010

The RBC Global Health Sciences Fund (Series A) declined 5.3% in the second quarter, compared to a 6.8% loss for the MSCI World Health Care Total Return Index, in Canadian dollars.

After a positive move in the first quarter of 2010, stocks extended gains into the end of April, only to slip on worries from the debt concerns unsettling Europe. The situation in Europe served to accelerate the market correction that we had expected to occur sometime during 2010. By the end of the first half of 2010, concerns that European debt markets would freeze up had largely ebbed and optimism returned that the euro would be able to withstand the pressures that threatened to tear the Eurozone apart.

The Health Care sector had weak relative performance as health reform, generic drug substitution and the economy weighed on the sector.

Sectors which outperformed in the quarter 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. Mergers and acquisitions continued to fuel small capitalization biotechnology stocks. The Fund's exposure to these sectors aided returns. One of the Fund's best holdings was ev3 Inc., which received a takeover bid from Covidian, a medical device manufacturer and distributor.

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. Shares of pharmaceutical, health care equipment and supplies stocks were laggards last year and we believe that these sectors may provide better opportunities in 2010.

Major Buys

Bristol-Myers Squibb Co.
Enzon Inc.
McKesson Corp.

Major Sells

Abbott Laboratories
Mylan Laboratories
Vertex Pharmaceuticals Inc.



RBC Global Health Sciences Fund

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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