

RBC DIVERSIFIED FUND NATURAL RESOURCES EQUITY

NAV as of 30.07.2010

USD 143.10

OBJECTIVES

The investment objective for the Natural Resources Equity subfund is long term capital gains with a prudent diversification of risk.

Highlights

- Invests in global natural resources companies that are world leaders in the exploration, development, production or distribution of natural resources.
- Provides indirect exposure to some of the world's fastest growing economies such as China and India amongst others, which also have a high demand for energy and raw materials.
- Portfolio sub advisor is a leading Canadian investment manager with a proven record of investing in natural resources companies.

Benchmark

65% MSCI World Energy Index and 35% MSCI World Materials Index, both in USD.

COMMENTARY

The fund rose 5.56% for the month of July.

Gold retreated from its high of US\$1260 per ounce in June to US\$1160 as fears of a sovereign European debt default faded. The fund's overweight allocation to gold stocks detracted from performance this month. However, the fund manager continues to view large global fiscal deficits as a strong tailwind for the gold price over the next couple of years.

Iron ore hit a low of US\$118 per ton in July, but has since bounced back above US\$130. Though steel prices softened during this period, industry data shows that 20 to 30 percent of the market breaks even near the US\$120 per ton level. This suggests iron ore prices will not fall much beyond this level for the next few years unless we see another recession. Canacol Energy was a good performer during the month after another successful light oil discovery in Columbia and comments by other major oil competitors that suggested the market was undervaluing their large heavy oil land position.

The Materials names such as Teck Cominco and Hudbay Minerals also rose during the month as base metals prices rallied. However, we are looking for global central banks to cut rates before the Materials names can convincingly move higher over the second half of the year. China will likely be a first mover in this regard as tightening measures implemented in the first half have taken hold, particularly in the real estate area.

FUND DATA

Fund Domicile	Switzerland	Fees	
Fund Administrator	SIF Swiss Investment Funds SA	Subscription	max. 2.00%
Fund Manager	Royal Bank of Canada (Suisse) SA	Management	max. 1.15%
Custodian Bank	Royal Bank of Canada (Suisse) SA	Custody	max. 0.35%
Valoren N°	2317063	Publications	Newspapers
ISIN	CH0023170639	Le Temps,	
FUNDSERV	RSW 111	Neue Zuercher	
Inception date	01.12.2005	Zeitung	
Subscription / Redemption	Daily	Bloomberg	651015667
Minimum Investment	1 unit	Telekurs	RBCFNRE SW
Dividend Reports	Semi-annual 30th April 31st October	Internet	2317063 www.swiss-if.ch
		Auditors	PriceWaterhouseCoopers, Geneva

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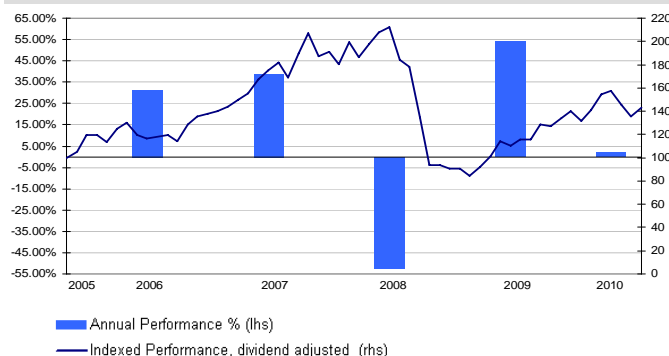
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ROYAL BANK OF CANADA (SUISSE)SA

Morningstar Rating™



HISTORICAL PERFORMANCE (%)



PERFORMANCE (%)

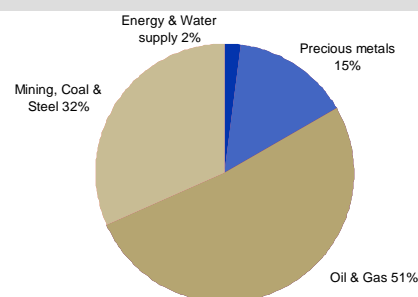
	July	3 Months	YTD	1 Year	3 Years **	2009
Fund *	5.56	-9.26	2.02	24.07	-7.70	54.26
Benchmark ***	9.47	-8.85	-8.08	6.21	-3.33	37.52

* net of fees, dividend adjusted

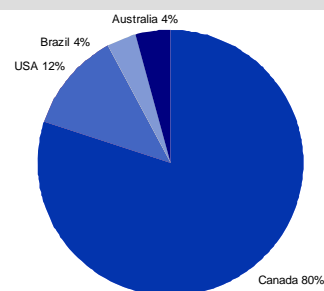
** annualized performances

*** benchmark until July 31, 2008 : 50% S&P/TSX Energy Index / 50% S&P/TSX Materials Index

SECTOR BREAKDOWN



GEOGRAPHIC DISTRIBUTION



TOP TEN HOLDINGS

CANADIAN NATURAL RESOURCES LTD	5.28 %
OCCIDENTAL PETROLEUM CORP.	5.18 %
PACIFIC RUBIALES ENERGY CORP.	4.03 %
NIKO RESOURCES LTD	3.72 %
VALE SA -ADR-	3.36 %
BARRICK GOLD CORP.	3.07 %
CONSOLIDATED THOMPSON IRON MINES LTD	2.94 %
HUBBAY MINERALS INC	2.83 %
PETROBANK ENERGY	2.73 %
SUNCOR ENERGY INC.	2.63 %

ADDITIONAL DATA

Fund size (millions) :	USD 37.07
Performance since inception (Dec. 1, 2005) :	43.10 %
Total Expense Ratio :	1.59 %