**RBC Life Science and Technology Fund**

**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**: D
- **Load Structure**: No Load
- **Currency**: CAD
- **Fund Code**: RBF1030
- **Inception Date**: July 2007
- **Total Fund Assets $Mil**: 372.9
- **Series D NAV $**: 22.14
- **Series D MER %**: 1.21
- **Benchmark**: S&P 500 Health Care and Information Technology Total Return Index (CAD)
- **Income Distribution**: Annually
- **Capital Gains Distribution**: Annually
- **Sales Status**: Open
- **Min. Investment $**: 500
- **Subsequent Investment $**: 25
- **Fund Category**: US Equity
- **Management Company**: RBC Global Asset Management Inc.
- **Web Site**: www.rbcgam.com

**Portfolio Analysis as of February 28, 2019**

**Asset Mix**
- **Cash**: 4.0%
- **Fixed Income**: 0.0%
- **Canadian Equity**: 0.3%
- **US Equity**: 95.4%
- **International Equity**: 0.4%
- **Other**: 0.0%

**Equity Style**
- Value: 0.0%
- Blend: 0.0%
- Growth: 100.0%

**Equity Statistics**
- **P/B Ratio**: 5.1
- **P/E Ratio**: 18.8
- **Avg. Mkt Cap. $B**: 228.8

**Global Equity Sectors**
- Information Technology: 50.2%
- Health Care: 35.1%
- Communication Services: 14.3%
- Consumer Discretionary: 0.3%
- Real Estate: 0.2%
- Unclassified: 0.0%
- Energy: 0.0%
- Materials: 0.0%
- Industrials: 0.0%
- Consumer Staples: 0.0%
- Financials: 0.0%
- Utilities: 0.0%

**Top 10 Holdings**
- Microsoft Corp: 8.7%
- Apple Inc: 7.4%
- Alphabet Inc A: 6.9%
- Facebook Inc A: 4.1%
- Johnson & Johnson: 3.5%
- Visa Inc Class A: 2.9%
- UnitedHealth Group Inc: 2.6%
- Cisco Systems Inc: 2.5%
- Intel Corp: 2.5%
- Pfizer Inc: 2.5%

**Performance Analysis as of February 28, 2019**

**Growth of $10,000**
- Series D: $52,201

**Calendar Returns %**
- Series D

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<tr>
<th>Year</th>
<th>1 Mth</th>
<th>3 Mth</th>
<th>6 Mth</th>
<th>1 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
<th>Since Incep.</th>
<th>Trailing Return %</th>
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RBC Life Science and Technology Fund

Management Overview

Manager Bios

Rob Cavallo
RBC Global Asset Management Inc.
Rob is a Portfolio Manager with the North American equities team. Rob joined the firm in 2012 as a Global equities analyst with a focus on analyzing companies within the Health Care and Consumer sectors. Rob earned a Bachelor of Commerce degree at the University of Toronto and is a CFA charterholder.

Marcello Montanari
RBC Global Asset Management Inc.
Marcello Montanari is Vice President and Senior Portfolio Manager, North American Equities. Marcello began his career in the investment industry in 1992. He earned a Bachelor of Commerce degree in finance from Concordia University and is a CFA charterholder.

Performance Analysis Cont’d as of February 28, 2019

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<th>Ended</th>
<th>3 Yr</th>
<th>Ended</th>
<th>5 Yr</th>
<th>Ended</th>
<th>10 Yr</th>
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* Distributions are characterized into income type at year-end.

Quarterly Commentary as at December 31, 2018

U.S. stocks significantly corrected in the fourth quarter of 2018, with the healthcare sector performing slightly better than the broad market, and the technology sector being the second-worst performer. From April to September, stocks enjoyed a stretch of strong returns, driven primarily by earnings growth. However, volatility re-emerged in October, sparked by rising interest rates in the United States, as higher rates have the potential to generate headwinds to economic and earnings growth.

Despite lingering concerns about decelerating growth, the recent market pull-back has arguably priced in most apparent challenges. For investors, reduced stock-market valuations mean that future returns will not be entirely reliant on earnings growth.

In the fourth quarter, a mild overweight in NVIDIA stock detracted from relative performance amid concerns over gaming growth, a large segment for NVIDIA. Conversely, the fund’s position in Guardant Health was a boost to performance.

Guardant Health, a cancer-diagnostic company, saw its stock jump after its IPO in October and has experienced good performance in since then.

While our base case is for stocks to rise very modestly over the next year, several scenarios could lead to different outcomes. A policy mistake by the U.S. Federal Reserve Board (Fed), if it raises rates too fast, or an escalation of protectionist moves by the Trump administration, if it imposes more tariffs or raises the tariff rate are the most likely causes of a potential downturn, as both could bring a halt to the expansion. Technology hardware in particular could experience further weakness should U.S.-China relations continue to deteriorate.

Under the upside scenario, the expansion would remain intact through 2021, perhaps because the Fed pauses its rate-hike cycle soon or the Trump administration comes to a trade agreement with China.
RBC Life Science and Technology Fund

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

Series H and Series I are not available for purchase by new investors. Existing investors who hold Series H or Series I units can continue to make additional investments into the same series of the funds they hold.

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.

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