



# 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	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF274

Inception Date	July 1995
Total Fund Assets \$Mil	372.2
Series A NAV \$	20.62
Series A MER %	2.09
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

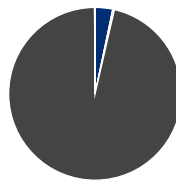
Fund Category	US Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of September 30, 2018

### Asset Mix

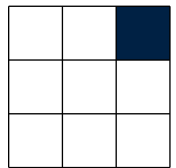


	% Assets
Cash	3.3
Fixed Income	0.0
Canadian Equity	0.3
US Equity	96.3
International Equity	0.1
Other	0.0

### Top 25 Holdings

	% Assets
Apple Inc	10.3
Microsoft Corp	8.9
Alphabet Inc A	7.3
Facebook Inc A	4.1
Visa Inc Class A	2.9
UnitedHealth Group Inc	2.8
Johnson & Johnson	2.8
Pfizer Inc	2.5
Cisco Systems Inc	2.4
Mastercard Inc A	2.3
Intel Corp	2.0
NVIDIA Corp	1.9
Oracle Corp	1.6
Abbott Laboratories	1.6
Merck & Co Inc	1.5
Adobe Systems Inc	1.5
Medtronic PLC	1.4
Thermo Fisher Scientific Inc	1.3
Salesforce.com Inc	1.3
Broadcom Inc	1.2
Accenture PLC A	1.2
PayPal Holdings Inc	1.2
AbbVie Inc	1.2
Amgen Inc	1.1
Bristol-Myers Squibb Company	1.1
Total % of Top 25 Holdings	67.4
Total Number of Stock Holdings	116
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>119</b>

### Equity Style



Value Blend Growth

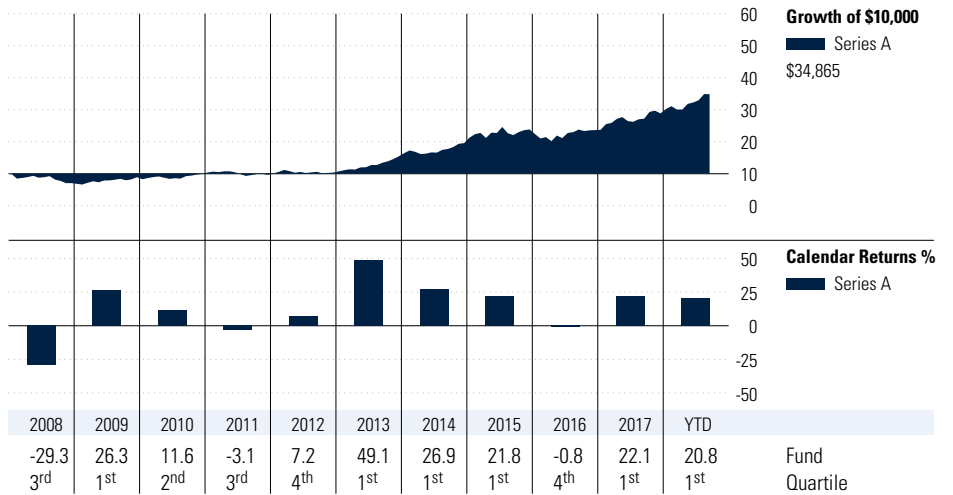
### Equity Statistics

P/B Ratio	5.1
P/E Ratio	19.8
Avg. Mkt Cap. \$B	255.1

### Global Equity Sectors

	% Equity
Information Technology	53.1
Health Care	32.9
Communication Services	13.2
Consumer Discretionary	0.7
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

## Performance Analysis as of September 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-0.1	8.1	15.9	28.2	16.5	21.0	15.6	6.2	Fund
		2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	Quartile
	1459	1424	1403	1371	939	649	266	—	No. of Funds in Category



# 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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2000	138.3	2-2000	48.4	8-2000	34.7	9-2018	15.6
Worst	9-2001	-61.9	2-2003	-37.9	8-2005	-23.8	8-2010	-14.1
Average		9.1		8.2		6.7		2.9
No. of Periods		267		243		219		159
Pct. Positive		66.7		59.7		52.5		51.6

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

### Quarterly Commentary as at September 30, 2018

U.S. equity markets generally outperformed the rest of the world again in the third quarter. The U.S. recorded impressive gains with soaring business and consumer confidence and corporate profit growth fueling the ascent.

Bolstered by large-scale tax cuts and increased government spending, the U.S. economy has accelerated to its fastest growth rate in four years. We continue to believe that the speed limit for developed-world growth has increased since the global financial crisis as confidence among businesses and consumers has been restored.

The S&P 500 was led in Q3 by technology hardware and equipment and biotechnology and life sciences, which saw their indices rise 15.9% and 13.5% respectively, versus 6.0% for the broader index (in CAD terms). In Information Technology, Apple continues to drive solid earnings from device sales and remains the Fund's

top holding. In Health Care, an overweight position in Intuitive Surgical boosted performance after better than expected Q2 results.

Conversely, semiconductors were laggards this quarter. Intel's stock declined steadily over the period, likely on concerns about manufacturing delays and uncertainty over the CEO vacancy. Micron Technology also had poor performance, and we were slightly overweight in the Fund.

Our analysis of a variety of scenarios suggests that stocks can deliver decent upside with reasonable assumptions, as long as earnings continue to come through as analysts expect. We recognize, however, that given the late stage in the business cycle and the fact that valuations are above equilibrium, earnings growth is now critical to sustaining the bull market in stocks.



# RBC Life Science and Technology Fund

## Disclosure

RBC Funds, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or Fund Facts document 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. 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. The value of mutual funds change frequently and past performance may not be repeated.

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the half-year period, January 1 to June 30, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

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.

The 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 the 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 the fund profile without seeking the advice of an appropriate professional advisor.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm, based on categories maintained by the Canadian Investment Funds Standards Committee (CIFSC). 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 and F units of the Fund as of September 30, 2018.

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