



# 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	228.3
Series A NAV \$	16.38
Series A MER %	2.15
Series A Adjusted 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

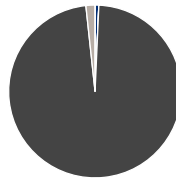
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	US Equity
---------------	-----------

Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of May 31, 2017

### Asset Mix

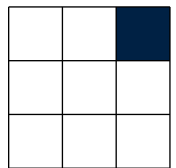


	% Assets
Cash	0.7
Fixed Income	0.0
Canadian Equity	0.0
US Equity	97.6
International Equity	1.7
Other	0.0

### Top 10 Holdings

	% Assets
Apple Inc	10.3
Alphabet Inc A	8.0
Microsoft Corp	7.4
Facebook Inc A	5.1
Johnson & Johnson	3.9
Visa Inc Class A	2.7
Pfizer Inc	2.6
UnitedHealth Group Inc	2.4
Cisco Systems Inc	2.1
Oracle Corp	2.0
Total % of Top 10 Holdings	46.4
Total Number of Stock Holdings	114
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>116</b>

### Equity Style



Value Blend Growth

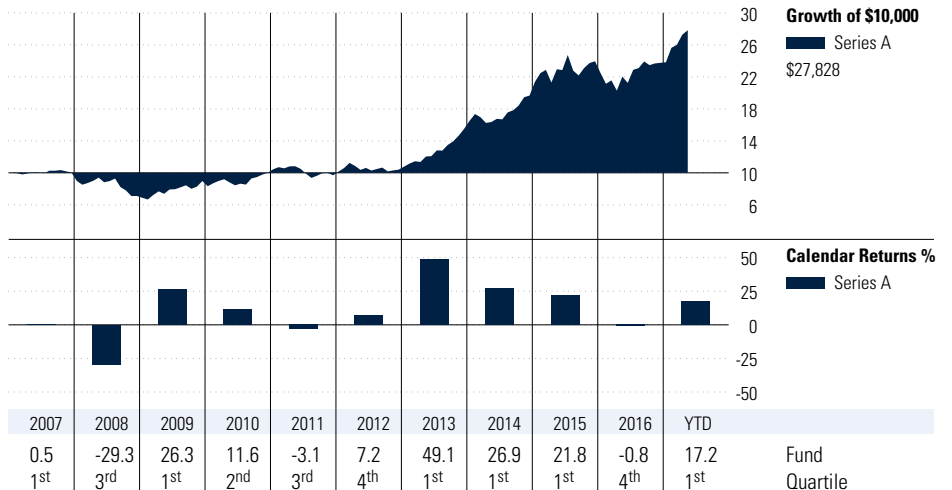
### Equity Statistics

P/B Ratio	4.2
P/E Ratio	22.3
Avg. Mkt Cap. \$B	199.1

### Global Equity Sectors

	% Equity
Information Technology	66.7
Health Care	33.1
Telecommunication Services	0.2
Energy	0.0
Materials	0.0
Industrials	0.0
Consumer Discretionary	0.0
Consumer Staples	0.0
Financials	0.0
Utilities	0.0
Real Estate	0.0
Unclassified	0.0

## Performance Analysis as of May 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
2.1 1 <sup>st</sup>	8.6 1 <sup>st</sup>	17.5 1 <sup>st</sup>	26.3 1 <sup>st</sup>	19.4 1 <sup>st</sup>	21.8 1 <sup>st</sup>	10.7 1 <sup>st</sup>	5.4	Fund Quartile
1377	1367	1338	1228	841	485	213	—	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 May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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	5-2017	10.7
Worst	9-2001	-61.9	2-2003	-37.9	8-2005	-23.8	8-2010	-14.1
Average		8.3		7.8		5.1		1.2
No. of Periods		251		227		203		143
Pct. Positive		64.5		56.8		48.8		46.2

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

### Quarterly Commentary as at March 31, 2017

The Fund outperformed its benchmark as it benefitted from a higher weight in the Information Technology (IT) sector which outperformed Health Care in Q1. The IT sector had a strong first quarter, leading the S&P 500. The portfolio manager is optimistic about the prospects for the remainder of the year, as the sector should benefit from an improving economy as well as longer-term structural themes such as big data, continued cloud migration and consolidation in the semiconductor space. The current market environment warrants greater care in electing stocks, given the broader economic impact from a rising interest rate environment and potential policy impact.

Following a dismal 2016, Health Care also had a strong start to the year, with the sector outperforming the broader market. Uncertainty regarding health care reform appears to have subsided for the time being as the discussions to reform the Affordable Care Act lost support before reaching a vote. Within the Health Care sector,

underweight exposure to Gilead Sciences helped returns. The biotechnology segment has struggled as public shaming of companies over pricing practices continues.

In the IT sector, online platforms that help bring small businesses to the web had a strong quarter. Off-benchmark holding, Shopify continued its strong run as of late, benefitting the Fund. The overweight position in Qualcomm hindered returns. Legal disputes tend to be bringing the semiconductor company into focus as of late.

Leading economic indicators are at their best levels in several years, economic surprises have been predominantly positive and corporate earnings continue to recover from their prior stumbles. Taken together, global economic signals remain quite strong by post-crisis standards. As a result, risk assets such as equities and corporate credit have performed well.



# 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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions

and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/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](http://www.sedar.com).

MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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.

PH&N Funds Series A formerly known as Series C.

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 April 30, 2017.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2017