



# 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	320.4
Series A NAV \$	19.08
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

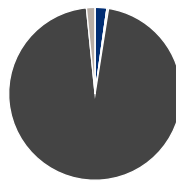
Fund Category	US Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of June 30, 2018

### Asset Mix

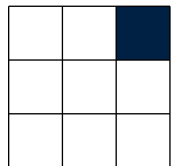


	% Assets
Cash	2.2
Fixed Income	0.0
Canadian Equity	0.3
US Equity	95.9
International Equity	1.6
Other	0.0

### Top 25 Holdings

	% Assets
Apple Inc	9.8
Microsoft Corp	8.5
Alphabet Inc A 28-04-2018	7.7
Facebook Inc A	5.1
UnitedHealth Group Inc	2.9
Johnson & Johnson	2.9
Visa Inc Class A	2.8
Intel Corp	2.7
Cisco Systems Inc	2.4
Mastercard Inc A	2.2
Pfizer Inc	2.0
NVIDIA Corp	1.7
Oracle Corp	1.6
Adobe Systems Inc	1.6
Merck & Co Inc	1.5
Abbott Laboratories	1.5
Broadcom Inc	1.4
Accenture PLC A	1.4
Thermo Fisher Scientific Inc	1.4
AbbVie Inc	1.3
Salesforce.com Inc	1.3
PayPal Holdings Inc	1.3
Texas Instruments Inc	1.2
Amgen Inc	1.2
Bristol-Myers Squibb Company	1.1
Total % of Top 25 Holdings	68.6
Total Number of Stock Holdings	117
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>120</b>

### Equity Style



Value Blend Growth

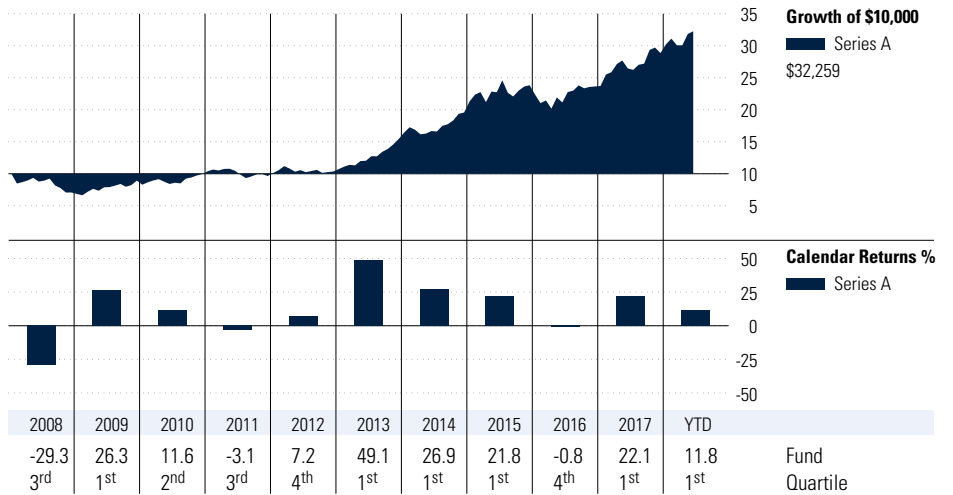
### Equity Statistics

P/B Ratio	4.6
P/E Ratio	18.5
Avg. Mkt Cap. \$B	238.7

### Global Equity Sectors

	% Equity
Information Technology	68.6
Health Care	31.1
Real Estate	0.2
Telecommunication Services	0.0
Energy	0.0
Materials	0.0
Industrials	0.0
Consumer Discretionary	0.0
Consumer Staples	0.0
Financials	0.0
Utilities	0.0
Unclassified	0.0

## Performance Analysis as of June 30, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
1.3	7.3	11.8	21.9	12.4	21.8	13.9	5.9	Fund
3 <sup>rd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	Quartile
1446	1428	1411	1349	918	615	261	—	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 June 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	6-2018	13.9
Worst	9-2001	-61.9	2-2003	-37.9	8-2005	-23.8	8-2010	-14.1
Average		8.9		8.1		6.5		2.5
No. of Periods		264		240		216		156
Pct. Positive		66.3		59.2		51.9		50.6

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

### Quarterly Commentary as at June 30, 2018

Technology stocks continued their strength in Q2 as the sector outperformed the broader S&P 500 Index in CAD terms. In software, it appears investors are not worried that privacy concerns and regulations will materially impact the operations of internet-based companies. Semi-conductors continue to see broad strength and, going forward, will be influenced by auto and industrial trends as well as smartphone and PC demand. Overall, the Information Technology sector is benefiting from a strong appetite for takeovers and industry growth.

Health Care stocks were roughly in line with the S&P 500 in CAD terms in Q2. The “big five” managed care stocks were led by UnitedHealth Group Inc., in which the Fund is overweight, and dragged by Cigna Corp., which isn’t held in the Fund.

Security selection was a mild detractor in Q2. In Technology, an overweight to Applied Materials Inc. detracted. Applied Materials develops, manufactures and markets semiconductor wafer fabrication equipment for the semi-conductor

industry. Positively, in Technology, a position in Shopify Inc. boosted returns. Shopify has had strong success since its initial public offering in 2015 as it continues to expand its reach among small- and medium-sized merchants.

In Health Care, an overweight in Intuitive Surgical Inc. boosted returns. Intuitive Surgical develops, manufactures and markets robotic technologies to enhance surgical procedures. Our overweight in Mylan N.V. detracted as it faces generic drug-pricing pressure similar to its peers.

Equities fluctuated significantly during the first half of the year as rapid corporate profit growth was offset by contracting price-to-earnings ratios. Expanding valuations have been a significant source of gains for stocks during this long bull market, but sustained earnings growth will be critical to drive stocks higher from here.

Expectations are for the positive trend in earnings to persist and our scenario analysis suggests a reasonable outcome is for stocks to deliver positive returns this year and next.



# 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 full year period, January 1 to December 31, 2017, 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 June 30, 2018.

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