



# RBC Life Science and Technology Fund

## Investment Objective

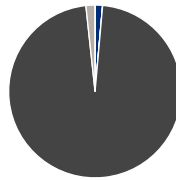
To provide long-term capital growth by investing primarily in equity securities of U.S. companies whose businesses relate to life sciences and technology and are expected to benefit from scientific and technological advances.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF274
Inception Date		July 1995	
Total Fund Assets \$Mil		228.5	
Series A NAV \$		16.08	
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	
Management Company		RBC Global Asset Management Inc.	
Web Site		www.rbcgam.com	

## Portfolio Analysis as of September 30, 2017

### Asset Mix

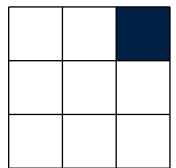


	% Assets
Cash	1.4
Fixed Income	0.0
Canadian Equity	0.0
US Equity	96.9
International Equity	1.7
Other	0.0

### Top 25 Holdings

	% Assets
Apple Inc	9.9
Microsoft Corp	7.5
Alphabet Inc A	7.4
Facebook Inc A	5.3
Johnson & Johnson	3.6
Visa Inc Class A	2.7
Pfizer Inc	2.6
UnitedHealth Group Inc	2.6
Oracle Corp	2.2
Intel Corp	2.0
Mastercard Inc A	2.0
Cisco Systems Inc	1.9
Merck & Co Inc	1.7
Amgen Inc	1.7
Celgene Corp	1.6
Broadcom Ltd	1.6
Bristol-Myers Squibb Company	1.4
AbbVie Inc	1.4
Texas Instruments Inc	1.3
Adobe Systems Inc	1.3
Accenture PLC A	1.3
NVIDIA Corp	1.1
PayPal Holdings Inc	1.1
International Business Machines Corp	1.1
Biogen Inc	1.1
Total % of Top 25 Holdings	67.3
Total Number of Stock Holdings	115
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>118</b>

### Equity Style



Value Blend Growth

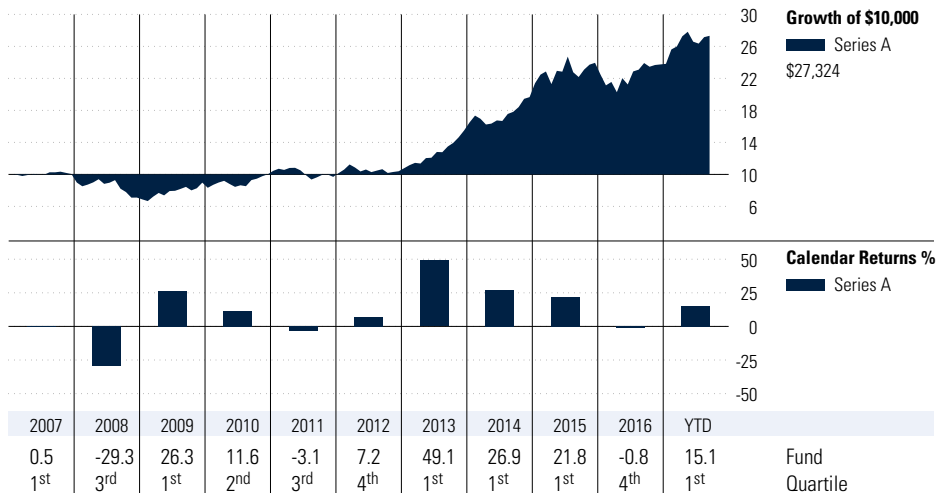
### Equity Statistics

P/B Ratio	4.4
P/E Ratio	22.2
Avg. Mkt Cap. \$B	196.9

### Global Equity Sectors

	% Equity
Information Technology	66.3
Health Care	33.6
Telecommunication Services	0.1
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 September 30, 2017



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.6	2.8	5.1	14.2	15.3	20.7	10.3	5.3	Fund
	4 <sup>th</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	Quartile
	1387	1382	1345	1306	872	519	235	—	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, 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		8.5		7.9		5.5		1.5
No. of Periods		255		231		207		147
Pct. Positive		65.1		57.6		49.8		47.6

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

### Quarterly Commentary as at September 30, 2017

Information Technology stocks continued their strong rally during past quarter as the sector led the market once again, while Health Care experienced a small decline (in CAD terms). On a year to date basis, the Information Technology and Health Care sectors have led the S&P 500, however the Information Technology sector had outperformed by over 800 basis points.

The Information Technology sector was led by software makers such as Microsoft, Oracle and Adobe as well as internet companies like Facebook and PayPal. Hardware performance was mixed; Apple had a strong run in July and August, but saw some weakness in September, as the response to their new iPhone appeared to be met with less enthusiasm than there was in the lead up.

Health Care has seen solid performance in the U.S. year to date, driven by the biotechnology and health-insurance industries, which responded favourably to the government's failure to repeal

the Affordable Care Act.

Security selection aided performance in both sectors within the Fund, as well as the overweight allocation to Information Technology. The Fund's allocation to Shopify boosted returns as the online platform for small businesses continued its strength.

Stocks continue to be supported by a global synchronized expansion and renewed corporate-profit growth around the world. With many equity markets at or near all-time highs, investors are rightly concerned about the sustainability of the bull market in equities. While stocks are not as cheap as they were when the cycle began, they remain somewhat attractive relative to fixed income. Markets have benefited from rising earnings and price-to-earnings ratios through this bull market, but earnings rather than valuations may now be the force needed to propel the market higher.



# 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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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, PH&N Funds and Bluebay Funds is based on actual expenses for the half-year period, January 1 to June 30, 2017, 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.

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, 2017.

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