



RBC Funds (Lux) – Global Precious Metals Fund – First Quarter 2015 Commentary

In the first quarter of 2015, the RBC Funds (Lux) - Global Precious Metals Fund, Class O (the "Fund") posted a total loss* of 5.1%, compared to the 1.6% loss for the S&P/TSX Global Gold Index.

Gold and silver prices were volatile during the period, but average quarterly prices improved 2% and 1% respectively as oil prices stabilized. This was offset by continued U.S. Dollar strength whose performance was driven by robust economic data, and speculation that the U.S. Federal Reserve could soon begin raising interest rates.

Average quarterly prices for platinum declined 3% during Q1, while palladium prices were flat. The continued weakening of the South African currency has allowed mines which would have otherwise been unprofitable to continue to operate, clouding the long-term supply/demand outlook.

In Q1, Precious Metal equities performed strongly with senior and intermediate producers outperforming developers and explorers. This situation is not atypical in environments of volatile commodity prices as investors favour more stable cash flow producers. Mergers and acquisitions remained active with notable transactions including Tahoe Resources merging with Rio Alto, Goldcorp acquiring Probe Mines, Timmins acquiring Newstrike Capital and Silver Wheaton acquiring a gold stream for Vale's Salobo mine.

The Fund's relative performance in Q1 was negatively impacted by zero weight positions in both Newmont Mining and Barrick Gold which rose 15% and 11% respectively, which more than offset strong performance from overweight names including Agnico-Eagle, Kirkland Lake Gold and SEMAFO.

The portfolio manager expects companies with higher quality assets, robust balance sheets and prospects of near term free cash flow to outperform. The portfolio manager remains cautiously optimistic that Precious Metal prices, which have now successfully re-tested their lows numerous times, will be relatively range bound and supportive in 2015.

(* Net of fees and expenses)

Important Information:

This information is intended for Professional Investor use only. Not for public distribution.

RBC Funds (Lux) is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg (société d'investissement à capital variable or "SICAV") and qualifies as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Article 1, paragraph 2, points a) and b) of the Directive 2009/65/EC of July 13, 2009, as amended.

None of the Shares of the Funds has been or will be registered for sale or distribution in Canada or in the United States.

Copies of the Articles of Incorporation of the SICAV, the current Prospectus and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the SICAV in Luxembourg: 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg.

This document and any information contained herein including investment and economic outlook information, opinions and estimates (collectively, the "Materials") is provided for information purposes only and do not constitute advice or an offer, solicitation or invitation to buy or sell any securities or related financial instruments. The Materials are not directed at or intended for use by any person resident or located in any jurisdiction where (1) the distribution of such information or functionality is contrary to the laws of such jurisdiction or (2) such distribution is prohibited without obtaining the necessary licenses and such authorizations have not been obtained. The SICAV's Sub-Funds mentioned in the Materials ("Funds") may not be eligible for sale or available to residents of certain countries or certain categories of investors.

Past performance may not be a reliable guide to future performance. The value of investments and any income from them is not guaranteed and may fall or rise and the investor may not get back the original investment. Exchange rate movement could increase or decrease the value of underlying investments/ holdings. The portfolio is actively managed and current holdings may be different.

Index returns are for illustrative purposes only, do not represent actual fund performance and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

The Materials are provided on an "as is, where is" basis and the SICAV, RBC Global Asset Management Inc. and its affiliates and subsidiaries ("RBC Companies") do not make any express or implied warranties, representations, or endorsements with respect to the Materials, including without limitation, warranties as to merchantability, operation, non-infringement, usefulness, completeness, accuracy, currency, reliability, correctness and fitness for a particular purpose. All opinions and estimates contained in the Materials constitute our judgment as of the indicated date of the information and are subject to change without notice. Interest rates and market conditions are subject to change.

None of the RBC Companies are responsible, and will not be liable to you or anyone else, for any damages whatsoever and howsoever caused (including direct, indirect, incidental, special, consequential, exemplary or punitive damages) arising out of or in connection with the Materials or any action or decision made by you in reliance on the Materials, or any errors in or omissions or any unauthorized use or reproduction of the Materials, even if an RBC Company has been advised of the possibility of these damages.

®/™ Trademarks of Royal Bank of Canada. Used under license. © RBC Global Asset Management Inc. 2015

Publication Date: IC1406315

