



# Advisory Master Services Agreement

Terms & Conditions and Disclosure Document

March 28, 2025

## Clearing & Custody

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# **TABLE OF CONTENTS**

**ADVISORY MASTER SERVICES AGREEMENT TERMS & CONDITIONS**

**CONSULTING SOLUTIONS PROGRAM SUPPLEMENT**

**RBC ADVISOR PROGRAM SUPPLEMENT**

**RBC UNIFIED PORTFOLIO PROGRAM SUPPLEMENT**

**ERISA SECTION 408(B)(2) SERVICE PROVIDER DISCLOSURE**

**RBC ADVISORY PROGRAMS DISCLOSURE DOCUMENT (FORM ADV, PART 2A APPENDIX 1, WRAP FEE PROGRAMS BROCHURE)**

# ADVISORY MASTER SERVICES AGREEMENT TERMS & CONDITIONS

This Advisory Master Services Agreement provides information about the following advisory programs (each, a “**Program**” and, collectively, the “**Programs**”) sponsored by RBC Wealth Management (“**RBC WM**”), a division of RBC Capital Markets, LLC (“**RBC CM**”), and offered through RBC CM’s Clearing and Custody division (“**RBC C&C**”):

- Consulting Solutions
- RBC Advisor
- RBC Unified Portfolio (“**RBC UP**”)

RBC CM through RBC C&C (collectively, “**RBC CM**”, the “**Firm**,” “**we**,” “**us**” or “**our**”) offers clearing and custody services to broker-dealers and registered investment advisers, and as applicable, their affiliates, (collectively, the “**Introducing Firms**”). These Introducing Firms have entered into an agreement with us whereby RBC CM makes available certain of RBC CM’s advisory Programs to such Introducing Firms for recommendation to their clients as they deem suitable and appropriate.

RBC CM may add or remove Programs or services by amending this Advisory Master Services Agreement and notifying you in writing as further discussed below in Section 20: “Effective Date; Amendments; Termination” of this Advisory Agreement.

## 1. ABOUT THIS ADVISORY MASTER SERVICES AGREEMENT

This Advisory Master Services Agreement and incorporated documents described below (collectively, the “**Advisory Agreement**”) is a single investment advisory contract that governs the terms of your current and future investment advisory relationship(s) with the Introducing Firm you’ve engaged to provide investment advisory and other services and RBC CM. The words “**Client**” and “**you**” and “**your**” and “**yourself**” refer to the account owner(s) subject to this Advisory Agreement. In the case of an Individual Retirement Account (“**IRA**”), “**you**” refers to “**you**” as the beneficial owner of the account custodied by RBC CM.

You engage with an Introducing Firm to provide investment advisory and other services to you. The Introducing Firm’s “**Financial Professionals**” (each, a “**Financial Professional**”) may offer one or more of the above-referenced RBC CM-sponsored advisory Programs.

In this Advisory Agreement, the term “**Investment Manager**” refers to a client’s discretionary investment adviser which, for the Consulting Solutions Program, may be RBC CM or its affiliates, including (but not limited to) RBC Global Asset Management (U.S.) Inc. (“**RBC GAM-US**”) and City National Rochdale, LLC (“**CNR**”). In RBC UP, the term “**Overlay Manager**” refers to a client’s discretionary investment advisor, which is either RBC CM or Envestnet Asset Management, Inc. (“**Envestnet**”). The term “**Model Provider**” refers to the non-discretionary investment advisers (RBC CM-affiliated and unaffiliated) that provide their model portfolio(s) (each, a “**Model Portfolio**”) for implementation in RBC UP. When used in this Advisory Agreement, the term “**Funds**” includes open-end mutual funds, exchange-traded funds (“**ETFs**”), and/or exchange-traded notes (“**ETNs**”).

Additionally, for the purposes of this Advisory Agreement, the term “**Retirement Account**” will be used to cover (i) “employee benefit plans” (as defined under Section 3(3) of the Employee Retirement Income Security Act of 1974 (“**ERISA**”), which include pension, defined contribution, profit-sharing, and welfare plans sponsored by private employers, as well as similar arrangements sponsored by governmental or other public employers which are generally not subject to ERISA; and (ii) IRAs (as described in the Internal Revenue Code of 1986 (the “**Code**”).

This Advisory Agreement is designed to simplify your investment advisory relationship with RBC CM by authorizing your Introducing Firm to accept your verbal or written instruction (or that of any person you have authorized to act on your behalf), now or in the future, to enroll in and make changes to a Program account as provided in Section 3: “Changes and Communications with Introducing Firm” of this Advisory Agreement. Introducing Firm will relay such instructions to RBC CM, and RBC CM is entitled to rely on instructions received from Introducing Firm to open and/or make changes to your Program account(s).

The execution of this Advisory Agreement alone does not enroll you in an advisory Program. Unless or until you give your Financial Professional instruction to enroll in a Program on your behalf, your assets will be held in a brokerage account. In most cases, once you have enrolled in a Program you will not have to sign additional forms or keep track of repetitive documents. If you have questions about the nature or purpose of this Advisory Agreement, please speak to your Financial Professional before signing this Advisory Agreement.

This Advisory Agreement applies to all Program account(s) that you establish in the same legal capacity with Introducing Firm and RBC CM and will supersede any pre-existing investment advisory agreement for Program(s) in which you may currently be enrolled. In certain cases, you may need to sign a separate Advisory Agreement if you want to open a new Program account in a different legal capacity, such as a trust, business entity, custodian, or qualified plan account.

If you have signed an Advisory Agreement in your individual capacity, we will apply your Advisory Agreement to any Program account(s) you own jointly with another individual(s) at Introducing Firm who has signed an Advisory Agreement. If you own any Program account(s) jointly with another individual(s) at Introducing Firm who has not signed an Advisory Agreement, your existing investment advisory agreement, if any, will control until that individual(s) signs an Advisory Agreement. All joint owners must sign an Advisory Agreement before enrolling any additional account(s) into a Program.

In the Advisory Agreement, you designate proxy voting authority and select a trade confirmation frequency (“Account Preferences”) that will be applied to all existing and future Program account(s) subject to this Advisory Agreement. You can change your proxy voting and/or trade confirmation frequency election at any time upon written agreement your Introducing Firm and RBC CM.

- **Proxy Voting Authority.** If you designate “Client” in the Advisory Agreement, you or another third party designated by you, are responsible for voting proxies on securities held in your Program account(s). If you designate “Manager” to vote proxies in the Advisory Agreement, you authorize a third-party Investment Manager(s) or the Overlay Manager (i.e. Investnet or RBC CM), if applicable, to vote proxies on your behalf. Refer to Section 17: “Proxy Voting” herein or your Program Supplement for details.
- **Trade Confirmation Frequency.** For accounts enrolled in any Program other than RBC Advisor, you will elect whether you wish to receive trade confirmations on a trade-by-trade or monthly basis for your Program account(s). If you select “Daily” in the Advisory Agreement, you will receive trade confirmations on a trade-by-trade frequency. If you select “Monthly” in the Advisory Agreement, you will receive a monthly transaction summary statement, which will identify all required trade information. RBC Advisor accounts can only receive trade confirmations on a trade-by-trade frequency. Refer to Section 10: “Portfolio Transactions” herein or your Program Supplement for details.

In certain circumstances, based on the Program or Investment Manager selected by you, your Account Preferences may not be available. If your selected Account Preferences are not available for the Program(s) in which you are enrolled, RBC CM will default your proxy voting authority to “Client” and/or your trade confirmation frequency to “Daily” for the Program account.

For Program account(s) owned jointly with another individual(s), your Account Preferences for any Advisory Agreement signed by you in your individual capacity will be applied to such joint Program account(s) provided all joint owners have signed an Advisory Agreement and have made the same Account Preferences. If any joint owner designates proxy voting authority to “Client” and/or selects a trade confirmation frequency of “Daily,” your joint Program account(s) with that individual will be defaulted to those Account Preferences under this Advisory Agreement.

By signing this Advisory Agreement, you and Introducing Firm agree to the terms and conditions set forth in this Advisory Agreement, and in any documents accompanying or cross-referenced herein. This Advisory Agreement includes the following documents:

- Advisory Master Services Agreement
- Terms & Conditions
- Program Supplements
- Advisory Programs Disclosure Document (Form ADV, Part 2A Appendix 1, Wrap Fee Programs Brochure) (the “**Brochure**”)

All references to this “**Advisory Agreement**” include all of the documents referenced above, each of which is incorporated by reference into this Advisory Agreement. The terms and conditions herein apply to the Program account(s) you open now or in the future. You should retain this Advisory Agreement (including the Brochure and all related documents) for future reference. Neither RBC CM nor Introducing Firm will not provide another copy of this Advisory Agreement unless there are updates or amendments to it, or if requested by you.

Your signature, and the signature of Introducing Firm, to this Advisory Agreement acts as agreement to be bound by all of the terms of each specific Program in which you participate, and the “**Program Fee(s)**”, further described below, agreed upon by you (verbally or in writing) in accordance with the terms of this Advisory Agreement.

## **2. ABOUT YOUR ADVISORY RELATIONSHIP WITH INTRODUCING FIRM AND RBC CM**

The Programs are advisory wrap fee Programs sponsored by RBC CM. Working with your Financial Professional, you can select from Programs that provide a range of services in accordance with your financial goals and objectives. Once you have completed and signed this Advisory Agreement, you will be able to select new Programs and services by indicating your choice to your Financial Professional, verbally or in writing. We will update our records to reflect any new Program you select and, when possible, we will avoid sending you duplicative paperwork for your signature.

In some Programs, Clients can delegate discretionary authority to manage their Program account(s), meaning that the Investment Manager, or Overlay Manager (i.e., Investnet or RBC CM), as applicable, will buy, sell, and otherwise effect transactions in stocks, bonds, and other securities or assets without consulting you and without your prior consent. Other Programs provide solely for non-discretionary management of Client Program account(s).

RBC CM is both a broker-dealer and an investment adviser and offers services in both capacities. RBC CM provides the Program services described in this Advisory Agreement under a “wrap fee” arrangement. This means that, in addition to the discretionary or non-discretionary investment advisory services that RBC CM provides in connection with each Program, RBC CM, in its capacity as broker-dealer, also provides certain trade execution, custody, and other brokerage services for a single fee. A description of services and fees for the Programs is included in this Advisory Agreement either below and/or in the Program Supplement for the applicable Program, and the Brochure.

### 3. CHANGES AND COMMUNICATIONS WITH INTRODUCING FIRM

By signing this Advisory Agreement, you authorize Introducing Firm to accept your verbal or written authorization to open new Program account(s), effect certain transactions and changes, take other actions for your Program account(s), and for RBC CM to accept instructions from Introducing Firm on your behalf including, but not limited to, where applicable:

- Program enrollment
- Program changes
- Establishing or making changes to Program Fees
- Selecting a method of payment
- Selecting and updating your “**Advisory Risk Profile**” (as defined below)
- Investment Manager or allocation changes
- Rebalancing frequency
- Adding/removing reasonable investment restrictions
- Adding/removing responsible investing screens (“**Screens**”)
- Tax management services (“**Tax Management**”) enrollment/update/termination
- Harvesting gains or losses
- Advisory Program termination

You and Introducing Firm acknowledge that RBC CM will rely on, and is not responsible for the accuracy and completeness of, the instructions received from Introducing Firm in relation to your Program account(s).

In most cases, RBC CM will send you a written confirmation of additions or changes to your Program account. All written communications to you will be sent to the addresses provided by you or to such other addresses as you may hereafter give to your Introducing Firm in writing, and all communications so sent, whether by mail or electronically, shall be deemed given to you personally, whether actually received or not. You agree that your Program account shall be managed in accordance with the Program and investment strategy set forth in this written communication and all changes will be deemed conclusive if you do not object in writing within ten (10) days of the mailing by RBC CM. You agree to send all written communications to Introducing Firm, which will in turn notify RBC CM.

Some of the Programs allow you to choose among a variety of Model Portfolios which are provided by Model Providers, third-party or RBC CM-affiliated Investment Managers, investment products and/or other investment options. In some Programs, one or more Model Providers may provide one or more Model Portfolios to RBC CM as Overlay Manager to manage the Program account(s) on a discretionary basis. In addition, RBC CM may provide one or more Model Portfolios.

By providing the above authorization to Introducing Firm to accept your verbal instructions, and RBC CM to act upon such instructions from Introducing Firm, you will be able to, among other things, make changes to Investment Managers and Model Portfolios for your current and future Program accounts by verbally indicating your choice to your Financial Professional and, in most cases, without signing additional documents. All terms of the Advisory Agreement will apply to the addition of new Investment Managers or investment products as if they were included by name in the Advisory Agreement (including any provisions relating to the delivery of proxy materials and trade confirmations).

Except for RBC UP accounts enrolled in Tax Management provided by Envestnet, certain Investment Managers in Consulting Solutions and Overlay Managers in RBC UP may be able to accommodate tax harvesting at your request and election. If you request harvesting of gains or losses in your RBC UP or Consulting Solutions account, you can notify your Introducing Firm which will, through us, notify your Overlay Manager or Investment Manager. You must make such request each time, and for each Program account, that you desire gain or loss harvesting. Through our delivery of your direction to the Overlay Manager or Investment Manager for your Program accounts, you are providing independent instructions to said Overlay Manager or Investment Manager to sell and to then either reinvest the loss sale proceeds in one or more replacement securities or retain the proceeds in cash. You should consult with your own independent tax, accounting and/or legal professional before requesting implementation of gain or loss harvesting or any other tax matter.

You and Introducing Firm understand and acknowledge that requested changes to your Program account(s) will become effective as soon as practicable, after all operational requirements have been met, and may require additional time, documentation, and/or confirmation.

#### 4. INVESTMENT GUIDELINES AND CONSULTATIONS

You will work with your Introducing Firm to select an Advisory Risk Profile, as described below. Your Introducing Firm will provide the Advisory Risk Profile (and any amendments thereto) to RBC CM.

- **Advisory Risk Profile 1.** The portfolio will typically be invested primarily in lower volatility assets. Investors in this category have a low tolerance for risk and typically a short-term investment time horizon.
- **Advisory Risk Profile 2.** The portfolio will typically include lower volatility assets as well as some exposure to growth or higher volatility assets. Investors in this category have some tolerance for risk and typically a short to medium-term investment time horizon.
- **Advisory Risk Profile 3.** The portfolio may include exposure to all asset classes including low volatility and growth/higher volatility assets. Investors in this category have a moderate tolerance for risk and typically a medium-term investment time.
- **Advisory Risk Profile 4.** The majority of the portfolio will typically be invested in a blend of growth/higher volatility assets. Investors in this category have a moderate to high tolerance for risk and typically a medium to long-term investment time horizon.
- **Advisory Risk Profile 5.** The portfolio may be invested primarily in growth/higher volatility assets and may have a greater proportion of higher risk investments. Investors in this category have a high tolerance for risk and typically a long-term investment time horizon.

You acknowledge that, while you will select one of the above Advisory Risk Profiles, the assets in your Program account(s) may, over time, have an actual investment risk that is lower or higher than your Advisory Risk Profile.

You can request that certain reasonable restrictions be placed on the management of your Program account(s) by notifying Introducing Firm, who will, in turn, deliver such request to RBC CM. RBC CM will then notify each affected Investment Manager and/or Overlay Manager of your restrictions or instructions following their acceptance by RBC CM. Reasonable investment restrictions include restrictions on the purchase and/or sale of certain securities or categories of securities related to a financial sector or industry (i.e., fossil fuels, tobacco). It should be noted that any reasonable investment restrictions will not apply to the underlying portfolio of any Fund, unit investment trust (“UIT”), or other similar securities that are held or purchased in a Program account. When an account terminates from a Program and reverts to a commission-based brokerage account, any previously accepted, client-imposed investment restrictions for that account will also terminate and will no longer be applicable to the account as a brokerage account is outside of the Programs.

Such restrictions and instructions are subject to acceptance by Introducing Firm, RBC CM, and where applicable, the Investment Manager(s) and/or Overlay Manager(s) as reasonable, in each of their sole discretion. Where reasonable investment restrictions have been accepted, they can be implemented in various ways, including, but not limited to, increasing the relative proportions of other securities in a portfolio to replace the restricted securities and/or selecting alternate securities.

You will promptly notify Introducing Firm, which in turn will promptly notify RBC CM, of any material changes to your Advisory Risk Profile, investment restrictions, instructions and/or your financial condition. These changes will be implemented as soon as practicable upon acceptance by RBC CM. Except as set forth in the Program Supplements, RBC CM will notify each affected Investment Manager and/or Overlay Manager of changes to your investment restrictions or instructions following their acceptance by RBC CM. Should your Advisory Risk Profile change and an Investment Manager(s), Overlay Manager(s) and/or investment strategy is no longer suitable for you, your Introducing Firm will work with you to develop an appropriate alternative investment strategy for the management of your Program account(s). Neither RBC CM nor any Investment Manager or Overlay Manager (or their respective employees, agents and affiliates) shall be liable to you or any other person for any investments made in violation of any Advisory Risk Profile. Additionally, neither RBC CM nor any Investment Manager or Overlay Manager (or their respective employees, agents and affiliates) shall be liable to you or any other person for any investments made in violation of any investment restriction or instruction that has not been accepted by RBC CM, and, if applicable, the Investment Manager and/or Overlay Manager.

You acknowledge that, to effectively manage your account, your Financial Professional, the Investment Manager, and the Overlay Manager, if applicable, rely on the accuracy and completeness of information provided by you regarding your investment objective, financial circumstances, time horizon, risk parameters, investment restrictions, and other information relating to your advisory accounts. Accordingly, you are responsible for notifying Introducing Firm if you believe any of

the information you have provided is, or becomes, inaccurate or incomplete. Neither Introducing Firm, RBC CM, nor any Investment Manager or Overlay Manager is under any affirmative duty to independently verify any such data or information. Introducing Firm, through RBC CM, shall serve as the liaison for communication between you and the Investment Manager and/or Overlay Manager.

## **5. INVESTMENT AUTHORITY**

You hereby confer upon each Investment Manager and/or Overlay Manager, if and to the extent provided under the terms of the Program(s) designated by you, the discretionary power and authority to (1) buy, sell or otherwise effect transactions in stocks, bonds and other securities in your Program account(s), in your name, without consulting you and without your prior consent. You authorize RBC CM, each Investment Manager and/or Overlay Manager, to the extent required under the terms of the Program(s) designated by you, to establish accounts with RBC CM and/or one or more other broker-dealers for the purpose of effecting transactions with respect to your Program account(s). For additional details, please refer to the Program Supplements.

In no event will Introducing Firm, RBC CM, any Investment Manager, or any Overlay Manager be obligated to effect any transaction for a Program account that it believes would be in violation of any applicable federal or state law, rule or regulation, or of the rules or regulations of any regulatory or self-regulatory authority.

## **6. REMOVAL OF AN INVESTMENT MANAGER, MODEL PROVIDER OR OVERLAY MANAGER**

You and Introducing Firm acknowledge the right and authority of RBC CM to terminate any Investment Manager, Model Provider or Overlay Manager upon written notice to you. Any termination of an Investment Manager, Model Provider or Overlay Manager, whether by RBC CM or otherwise as provided below, shall not affect their liabilities or obligations arising from transactions initiated prior to such termination.

In the event RBC CM removes an Investment Manager from the Consulting Solutions Program, and you do not reallocate applicable Program account assets prior to the termination of the Investment Manager, we have the right to, and may, terminate your Program account.

In RBC UP, when RBC CM removes a Model Provider selected by you, if you do not select a new Model Provider before the removal date, we will move your assets to an available Model Portfolio of another Model Provider in RBC UP – the investment strategy or portfolio of which RBC CM deems, in our sole discretion, to be consistent with the Model Portfolio/ Model Provider that is no longer available. If an appropriate Model Portfolio is not available, we will move your assets to an appropriate Fund.

## **7. CONTRIBUTIONS AND WITHDRAWALS**

You can fund your Program account(s) at any time by depositing cash and/or securities that are acceptable to RBC CM (subject, for Retirement Accounts, to any limitations imposed under the retirement plan documents, ERISA, and/or the Code). If at any time you contribute or transfer to a Program account any securities that are considered by RBC CM to be ineligible or unacceptable for the Program, you hereby authorize Introducing Firm and RBC CM (or any applicable Investment Manager and/or Overlay Manager) to liquidate such securities, move those securities to another account as instructed by you, or in the case of Funds, convert them to an eligible share class of the same Fund without notice to you. Cash and proceeds of liquidations, if applicable, will be invested in accordance with the Program you select. You agree to pay RBC CM's and Introducing Firm's usual and customary brokerage commissions with respect to the liquidation of ineligible investments.

You acknowledge that all dividends and distributions paid with respect to Fund shares held in your Program account will be reinvested in additional shares of the Fund, unless you have elected to receive such distributions in cash.

You shall have the right to effect withdrawals from a Program account with notice to Introducing Firm, which will in turn notify RBC CM, effective upon the receipt of such notice by RBC CM or, as applicable, upon the receipt of such notice by the Investment Manager and/or Overlay Manager provided by RBC CM. Unless otherwise directed by you, withdrawals will be funded first from cash balances, including amounts in the “**Cash Sweep Program**” (see Section 8: “Cash Balances and the Cash Sweep Program” below), then from the sale or redemption of sufficient securities. At your direction, Introducing Firm or RBC CM shall use reasonable efforts to liquidate any Program account assets and deliver such liquidation proceeds promptly following settlement. RBC CM shall have the right to effect any such withdrawal by delivering securities in kind to you if RBC CM believes an orderly liquidation of such securities cannot be accomplished in a timely manner. If the liquidation of securities is required, trades will be implemented as soon as practicable. Investment Managers and Overlay Managers do not have the authority to effect withdrawals from Program accounts.

## **8. CASH BALANCES AND THE CASH SWEEP PROGRAM**

Pursuant to your brokerage account agreement with RBC CM (the “**Customer Account Agreement**”), you have the option to enroll in the Cash Sweep Program and have uninvested cash balances in your account(s) automatically deposited, on a daily basis, into an interest-bearing deposit account, a specified money market fund, or cash investment alternative (each, a “**Cash Sweep Option**,” and collectively, the “**Cash Sweep Options**”).

By enrolling in the Cash Sweep Program, you consent to having uninvested cash balances in your Program account(s) included in the Cash Sweep Program and acknowledge receipt of the general terms and conditions of the products available through the Cash Sweep Program. You acknowledge that RBC CM may add, remove, or change the Cash Sweep Options, including changes between money market fund and FDIC-insured products, upon appropriate notice to you and in accordance with applicable regulations. Additionally, as discussed below, you acknowledge that the different available Cash Sweep Options are subject to eligibility requirements and restrictions. For additional information and disclosures on the Cash Sweep Options discussed herein, refer to the links under “Cash Management” on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

Uninvested cash balances in a Program account at RBC CM will be invested in accordance with your directions as follows:

### For Non-Retirement Accounts

You direct Introducing Firm and RBC CM to automatically invest (or “sweep”) all uninvested cash balances in the Program account into the Cash Sweep Option you choose. The available Cash Sweep Options for non-Retirement Accounts are:

- **RBC Insured Deposits**. RBC Insured Deposits is a Cash Sweep Option that sweeps uninvested cash balances in your Program account into interest-bearing deposit accounts (“**Deposit Accounts**”) established for you at participating depository institutions (“**Program Banks**”), whose deposits are insured by the FDIC up to applicable limits, subject to bank capacity. The Program Banks include unaffiliated, third-party banks and two affiliated banks, RBC Bank (Georgia), N.A. (“**RBC Bank**”) and City National Bank (“**CNB**”) (together, “**RBC Affiliate Banks**” or “**Affiliate Banks**”). Cash balances in RBC Insured Deposits in excess of applicable limits are swept into one or more other banks (“**Excess Banks**”), which will accept funds without limitation and without regard to the FDIC limit, and which may be RBC Affiliate Banks. Currently, the primary Excess Bank is CNB. A list of Program Banks is available at [www.rbcclearingandcustody.com/rbc-insured-deposits-program-banks](http://www.rbcclearingandcustody.com/rbc-insured-deposits-program-banks). The RBC Insured Deposits terms and conditions are available at [www.rbcclearingandcustody.com/en-us/legal/rbc-insured-deposits](http://www.rbcclearingandcustody.com/en-us/legal/rbc-insured-deposits).
- **GAM Money Market Fund**. Another Cash Sweep Option is the RBC BlueBay U.S. Government Money Market Fund managed by our affiliate, RBC GAM-US, (“**GAM Money Market Fund**”), which is subject to eligibility and applicable account minimums. For amounts invested in shares of the GAM Money Market Fund, RBC GAM-US will receive fees for managing and servicing the fund (including management and other fees). RBC GAM-US will also pay RBC CM 12b-1 fees.
- **Credit Interest Program**. The Credit Interest Program is a non-sweep cash alternative and represents RBC CM’s direct obligation to repay the invested amount, on demand, plus interest. We invest and use Credit Interest Program assets as free credit balances for our benefit, and we periodically adjust the interest rate payable on Credit Interest Program accounts. Cash invested in the Credit Interest Program is protected by Securities Investor Protection Corporation (“SIPC”) up to \$250,000 per account on claims for cash. SIPC protects against the custodial risk (and not a decline in market value) when a brokerage firm fails by replacing cash up to the \$250,000 limit. For more information, see the Customer Account Agreement on our public website [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

### For Retirement Accounts

You direct Introducing Firm and RBC CM to sweep all uninvested cash balances in the Program account into shares of the Federated Hermes Treasury Obligations Fund (the “**Federated Money Market Fund**”).

In non-Retirement Accounts, you may also elect to automatically distribute accrued dividends, interest, capital gains, and return on capital payments from your Program account on a recurring basis. RBC CM invests and uses such cash balances as free credit from the date of deposit until the funds are distributed from your Program account, which is a benefit to us. You do not earn interest on such free credit cash balances. Additional information regarding RBC CM’s use of free credit cash balances is located in the “Credit Interest Program” section of your Customer Account Agreement.

## 9. PROGRAM FEES

### Fees

Pursuant to this Advisory Agreement, you agree to pay the Program Fee, which is comprised of the Introducing Firm Fee, the Program Sponsor Fee, and for certain Programs, the Investment Manager Fee, the Model Provider Fee, and/or the Overlay Manager Fee (each as defined and described below). These separate fees will generally appear together as a single Program Fee on account statements and other communications.

- **Introducing Firm Fee**. In all Programs, you pay an “**Introducing Firm Fee**” to your Introducing Firm for the services their Financial Professionals provide to you in the Programs. The Introducing Firm Fee rate is determined and negotiated between you and your Financial Professional. You will agree, verbally or in writing, with your Financial Professional on the Introducing Firm Fee that you will pay for the services set forth in this Advisory Agreement.



- **Program Sponsor Fee.** In all Programs, you pay a “**Program Sponsor Fee**” to RBC CM which covers the services RBC CM provides as sponsor of the Programs, as well as services related to the custody of account assets, trade execution, clearing and settlement, account reporting and other administrative services.
- **Investment Manager Fee.** In addition to the Introducing Firm Fee and Program Sponsor Fee, accounts in Consulting Solutions are charged a separate fee for the investment management services of any Investment Manager (the “**Investment Manager Fee**”).
- **Overlay Manager Fee & Model Provider Fee.** In addition to the Introducing Firm Fee and Program Sponsor Fee, accounts in RBC UP are charged a separate fee for the services of the Overlay Manager (the “**Overlay Manager Fee**”), and, as applicable, for the Model Portfolio(s) provided by any Model Provider(s) (the “**Model Provider Fee**”).

## Calculation of Program Fees

Program Fees are established at the account level and may vary between your Program accounts, depending on the Program in which your account is enrolled. Typically, the Program Fee is calculated and payable quarterly, in advance, based on the market value of the assets in a Program account as of the last business day of the preceding calendar quarter (as described below in “Valuation of Program Account Assets”). Because the Program Fee is a percentage of the market value of assets in your account, the total amount you pay each quarter will increase if the value of the Program accounts increases, and vice versa. **The maximum annual rate for the total Program Fee is 3.0%.**

Program Fees are prorated for any billing period that is less than a complete quarter.

The initial Program Fee is calculated at the time of Program enrollment and covers the period from Program enrollment through the last day of the applicable quarter and shall be pro-rated based on the number of remaining days in such quarter. You will receive written confirmation of the Program Fee upon enrollment and each time thereafter you and your Financial Professional agree to change the Program Fee. Minimum initial account values are generally required, and these minimums may vary based upon the Program selected.

Deposits to or withdrawals from the Program account of cash and/or securities with a value equal to or greater than \$10,000 will be billed at the applicable fee rate on a pro-rated basis based on the date the transaction occurs during the quarter. Deposits and withdrawals on the same day will offset each other, and the net amount will be used to calculate, on a daily basis, an additional Program Fee or refund to your Program account. In each case, the additional fee or refund will be equal to the applicable fee rate times the amount of the increase or decrease, pro-rated based on the number of days from the date of the triggering event to the last day of the quarter.

In your non-Retirement Account, if you have elected to automatically distribute accrued dividends, interest, capital gains, and return on capital payments from your account on a recurring basis, the proceeds of these payments will not be assessed a Program Fee from the date the dividends, interest, capital gains, and/or return on capital payments is paid to the date of distribution.

If the Program account is terminated prior to the last day of a calendar quarter, we will refund to you the pro-rated portion of the Program Fee you paid, calculated based upon the days remaining in the quarter from the date the notice of termination was received by us or sent to you.

## Changes to Program Fee

A change to the Overlay Manager, Model Provider(s), Investment Manager, investment strategy, or investment allocation for your account can result in a change to the applicable component of the Program Fee. If the change occurs before the end of a quarter, we will use the market valuation from the date of the change to adjust only the portion(s) of the Program Fee (i.e. Overlay Manager Fee, Model Provider Fee, Investment Manager Fee) affected by such change on a pro-rated basis. At the time of such account change, the market value of your account may be higher or lower than the market value of your account at the time your quarterly Program Fee was calculated. As a result, the prorated Model Provider Fee, Overlay Manager Fee, and/ or Investment Manager Fee portion of the Program Fee may be higher or lower than when originally calculated.

RBC CM reserves the right to correct errors in calculations of Program Fees that were charged to you by debiting or crediting your account, as applicable, without prior notice to you.

RBC CM also reserves the right to increase any components of the Program Fee upon thirty (30) days’ advance written notice to you.

## Valuation of Program Account Assets

Assets in a Program account will be valued as follows:

- Securities traded on a national securities exchange will be valued at the last sale price on the exchange, or, if there has been no sale that day, at the last known bid price within the past forty-five (45) days as provided by a third-party vendor;

- Securities that are traded over-the-counter and on a stock exchange will be valued according to the broadest and most representative market. Securities for which market quotations are not readily available will be valued at the known current bid price within the past forty-five (45) days as provided by a third-party pricing vendor, and believed by RBC CM most nearly to represent current market value;
- Other securities and all other assets will be valued as determined by an independent third party retained by us or, if not available from a third party, by a statement of valuation provided by the issuer of the security on an annual basis, at minimum. Where fair value cannot be determined for certain securities and assets, no Program Fee will be charged by RBC CM on those securities and assets;
- We will also include the full market value of any assets purchased on margin in the calculation of your Program Fee. We do not reduce the market value of your account by your margin debit balance; and
- Certain annuities for which you have paid an upfront commission, fee-based annuities that we have deemed ineligible, and/or fee-based annuities that you have not agreed to include in your advisory assets may appear on your periodic activity statements for informational purposes only. These assets are not considered to be advisory assets covered under the Advisory Agreement and are not subject to the Program Fee.

### **Payment of Program Fee**

The Program Fee will be automatically deducted on a quarterly basis from your Program account unless you affirmatively elect, verbally or in writing, to be billed directly or to have the Program Fee deducted from another account with your Introducing Firm for which RBC CM is custodian, to the extent permitted by applicable law. If you elect to deduct Program Fees from another RBC CM account with different ownership than your Program account, you understand that you will be responsible for timely payment of any Program Fees that the debit account owner is unable/ unwilling to pay. Fee deductions will be funded first from the redemption of amounts in the Cash Sweep Option, then from the sale or redemption of sufficient securities. You should review the Brochure or Program Supplement for additional information. If you have elected to be invoiced for the Program Fee, and we have not received payment within sixty (60) days from the date of the invoice, we will automatically debit your Program account for the invoiced amounts due.

To the extent permitted by applicable law, including ERISA, you agree that all property which you own or in which you have an ownership interest, whether owned individually, jointly or in the name of another person or entity, which at any time may be in the possession or control of RBC CM, or any agent acting on its behalf, for any purpose, including safekeeping, shall be subject to a continuing security interest, lien and right of set-off for the discharge and satisfaction of any debts or obligations, however arising, that you may owe to RBC CM at any time and for any reason. RBC CM, may at its discretion, hold such property until your debts or obligations to RBC CM are fully satisfied or RBC CM may apply such property and the proceeds of the liquidation of such property toward the satisfaction of your debts and obligations and you will remain liable to RBC CM for any deficiency. In enforcing its security interest, RBC CM shall have the discretion to determine which property is to be sold and the order in which it is to be sold and shall have all the rights and remedies available to a secured party under applicable law. Without RBC CM's prior written consent, you will not cause or allow any of the property held in your Program account(s), whether now owned or hereafter acquired, to be or become subject to any liens, security interests, mortgages or encumbrances of any nature other than RBC CM's security interest. You hereby authorize RBC CM to automatically liquidate any property held in your Program account(s) to satisfy any such indebtedness or obligations whenever, in its discretion, RBC CM considers it necessary for its protection.

### **Additional Fees and Expenses**

The Program Fees do not cover, and you will be additionally responsible and charged for, any additional fees and expenses described in the "RBC Capital Markets Advisory Programs Disclosure Document," available at [www.rbcclearingandcustody.com/en-us/legal/](http://www.rbcclearingandcustody.com/en-us/legal/). Additional charges incurred and payable by you are, depending on the particular charge, collected at the time of the transaction, deducted from the Program account or billed directly to you.

You acknowledge that RBC CM or an affiliated of RBC CM may act as an Investment Manager, Overlay Manager, or Model Provider. If you select RBC CM or an affiliate to act as Investment Manager, Overlay Manager, or Model Provider under a Program, you do not pay more for selecting us, but RBC CM or an RBC CM affiliate may receive additional compensation.

### **Fund Fees & Expenses**

If you are holding or investing in Funds in a Program account, you should consider the following information as it pertains to transactions and fees in your Program account.

Oftentimes, Funds offer multiple share classes that are available based on various eligibility requirements designated by the Fund company. RBC CM has the sole authority to decide which share classes to offer based on such eligibility requirements, availability of share classes under our distribution agreements and other considerations. As a result, in some cases, we will choose to make a higher cost share class available or will choose not to offer a Fund at all. Additionally, outside of the Cash

Sweep Program, without notice to you, RBC CM may convert Funds in your Program account to a lower cost share class of the same Fund offered by RBC CM or make changes to your investment model or allocation in the event a lower cost share class of the same Fund is or becomes available through RBC CM.

You acknowledge that Funds pay fees and expenses that are ultimately borne by clients (including, but not limited to, management fees, brokerage costs, administrative fees, and custody fees), as detailed in each Fund's prospectus. Program clients that are holding, or investing in, Funds will pay two levels of investment advisory fees: 1) investment management fees charged by the Fund companies, and 2) the Program Fees to your Introducing Firm, RBC CM as Program sponsor, the Investment Managers, the Model Providers, and/or the Overlay Manager, as applicable. Some of the fees and expenses are paid to and, where permitted under applicable regulatory requirements, retained by us for advisory and/or other services. However, if RBC CM receives any Rule 12b-1 fees with respect to shares of any Fund held in the Program account, RBC CM shall credit those fees to the Program account.

Funds eligible for the Program will also be subject to Program Fees, which could subject you to a higher overall cost. However, if you purchased a Fund from RBC CM with an up-front sales charge, typically in a brokerage account outside of the Programs, and subsequently transfer such Fund shares into an Program account, those converted Fund shares will not be subject to the Program Fee for two or more years from the date of initial purchase. Funds purchased at other financial institutions may be converted to the appropriate share class in a Program account and subject to the applicable Program Fee immediately, regardless of whether you paid an up-front sales charge or other compensation. RBC CM may also elect not to convert certain Fund share classes if, for example, there is no equivalent share class available in the Programs, or such conversion could subject you to additional sales or other charges, or in certain other circumstances, as determined by us. Additionally, if you have a systematic buy or sell transaction established for a Fund share class that is ineligible for the Program selected, the transaction may be rejected resulting in your trade(s) not being fulfilled.

Prior to enrolling in the Programs and/or investing in Funds in Program account, you should read each Fund's prospectus carefully and consider all the information in it before investing. Additionally, you should review the costs and impact of converting your existing Fund share classes and discuss this with your Financial Professional. If you do not want your Funds converted, or your investment model/allocation updated, you should discuss leaving those holdings in, or transferring those holdings to a brokerage account, subject to customary commissions and transaction charges, with your Financial Professional.

## **10. PORTFOLIO TRANSACTIONS**

### **Appointment of Broker-Dealer**

You authorize Introducing Firm, each Investment Manager and/or Overlay Manager, to the extent provided in the Advisory Agreement, to effect transactions with and through Introducing Firm and RBC CM, as broker or dealer. You acknowledge that the Program Fees payable by you cover transaction charges, as provided herein, only when transactions are effected with or through RBC CM. Based upon this understanding, you agree and RBC CM acknowledges that, consistent with the duty to seek best execution on securities transactions, except as otherwise described herein, it is expected that most securities transactions for the Program account(s) will be effected with and through Introducing Firm and RBC CM (and not negotiated with other broker-dealers).

With respect to securities transactions effected with and through Introducing Firm and RBC CM, you authorize Introducing Firm and RBC CM to aggregate contemporaneous purchase or sell orders for the same securities with orders of other customers in accordance with applicable legal and regulatory guidelines.

### **Trade Confirmations**

Except as stated herein, your trade confirmation designation in the Advisory Agreement will govern your trade confirmation frequency preferences for all your Program accounts with the Introducing Firm held at RBC CM, whether they are subject to your pre-existing client agreement or not.

The Daily trade confirmation frequency will be provided to you as the default designation, unless you affirmatively elect to waive the Daily designation in the Advisory Agreement, meaning you will receive trade-by-trade confirmations. If you elect to waive the trade-by-trade confirmations, you will receive a monthly transaction summary statement, which will identify all required trade information. If you have elected to waive the trade-by-trade confirmations, you may at any time and at no cost to you, request from Introducing Firm, a copy of the trade confirmation for transactions that appear on the monthly transaction summary statement, as well as any subsequent transactions, or previous transactions effected through RBC CM. You may change your trade confirmation frequency at any time upon written agreement with your Introducing Firm and RBC CM.

Certain Programs do not accommodate waiver of the Daily trade confirmation designation. As a result, you may receive such trade-by-trade confirmations for these Programs even if you elect waiver in the Advisory Agreement. In the event that RBC CM acts as principal in a transaction or charges a commission for effecting a transaction or a sales load in connection with a transaction, RBC CM will send a trade-by-trade confirmation in connection with the transaction.

## **Agency Cross Transaction**

Agency cross trades and internal cross trades are generally prohibited for the Program account.

## **11. APPOINTMENT OF CUSTODIAN; PROVISION OF REPORTS**

### **RBC CM as Custodian**

RBC CM will act as custodian for the assets in your Program account(s). In addition, Introducing Firm or RBC CM will provide you with (i) confirmation of each securities transaction effected through RBC CM on behalf of yourself, on either a Daily or Monthly frequency as directed by you where applicable, and (ii) periodic activity statements. Unless otherwise specified, you shall maintain all indicia of ownership of securities and other assets in the Program account(s), including, but not limited to, the right to withdraw, hypothecate, vote and pledge such Program account assets subject to the approval of Introducing Firm, RBC CM, the Investment Manager(s) and/or the Overlay Manager(s), as applicable. Designated alternative investments connected to non-IRA accounts may be held in custody with the Investment Manager.

## **12. NO GUARANTEE OF INVESTMENT RESULTS**

You understand, acknowledge and agree that no assurance has been or can be given to you that you will achieve your investment objectives either by granting discretionary management authority to any Investment Manager, Overlay Manager and/or RBC CM, or by accepting or implementing, in whole or in part, any investment strategy and/or allocation or any specific recommendation by Introducing Firm to engage the services of a particular Investment Manager and/ or Overlay Manager or to purchase or sell any security or other investment or participate in any Program.

You have been informed, understand and acknowledge that, unless stated otherwise in a supplemental disclosure document related to a specific investment or Program, the investments in any Program account are not insured by the FDIC, are not deposits with or the obligation of or guaranteed by the custodian or any of its affiliates, are subject to investment risk (including possible loss of principal invested), and that past performance is no guarantee of future results.

## **13. TAX CONSIDERATIONS**

You understand that the payment of the Program Fees, as described above in Section 9: "Program Fees", may produce income tax results different from those resulting from the payment of brokerage commissions or other transactional charges on a per trade basis. If you are not a tax-exempt entity, the sale, redemption or exchange of investments may result in taxable capital gains or losses. Further, you understand and acknowledge that it is your responsibility to ensure that the payment method selected, and subsequent treatment of the related expenses, complies with applicable tax and other regulations.

In addition, careful consideration should be given prior to purchasing or selecting strategies that may utilize investments with tax advantages in certain qualified accounts. This may result in no additional tax benefits at the expense of performance. Neither RBC CM, nor its affiliates, provide legal, accounting or tax advice. All legal, accounting or tax decisions regarding your accounts and any transactions or investments entered into in relation to such accounts, should be made in consultation with your independent advisors. No information, including but not limited to written materials, provided by RBC CM should be construed as legal, accounting or tax advice.

## **14. LIMITATION OF LIABILITY**

You understand that, except where RBC CM has discretionary management authority under the terms of a Program, you must determine what actions (if any) to take in response to the information and advice Introducing Firm provides to you in connection with the Program. It is further understood that, in such instances, Introducing Firm will make recommendations regarding your investments but will not have, or exercise, any discretionary management authority or responsibility with respect to your Program account.

Introducing Firm acknowledges that under the Investment Advisers Act of 1940, as amended ("**Advisers Act**"), it owes a fiduciary duty to you and shall discharge its duties under the Advisory Agreement in accordance with that duty and the terms of the Advisory Agreement. When RBC CM acts as Overlay Manager, RBC CM acknowledges that under the Advisers Act, it owes a fiduciary duty to you and shall discharge its duties under the Advisory Agreement in accordance with that duty and the terms of the Advisory Agreement. Each of Introducing Firm and RBC CM (to the extent RBC CM is a fiduciary according to the Program Supplements) agree that, in the performance of its duties under the Advisory Agreement, it shall use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, and shall perform such duties in accordance with the requirements of the Advisers Act, ERISA (if applicable), other applicable laws and regulations, and the terms and conditions of the Advisory Agreement.

Except for negligence, malfeasance, violation of applicable law, or any non-waivable cause of action against RBC CM provided by federal or state law, Introducing Firm and RBC CM, and their respective employees, agents and affiliates shall not be liable under the Advisory Agreement for any loss incurred in connection with recommendations or investments made or other action taken on behalf of the Program account(s), including action taken or omitted prior to a written notice of termination. Nothing herein shall in any way constitute a waiver or limitation of any rights that you may have under any federal and applicable state securities laws or ERISA.

Introducing Firm and RBC CM shall not be responsible for (i) the performance of any investment strategy or allocation to any asset class or investment; (ii) any tax consequences related to changes in your Program account; (iii) any actions or omissions of any third-party Investment Manager, Overlay Manager or Model Provider; or (iv) the performance of any investment. In addition, Introducing Firm and RBC CM shall not be liable for any loss caused directly or indirectly by government restrictions, exchange or market rulings, regulatory rulings or court rulings related to government regulations, suspension of trading, war, terrorism, riots, strikes or "acts of God" beyond Introducing Firm or RBC CM's control.

## **15. INDEMNIFICATION**

You agree to indemnify, defend and hold harmless Introducing Firm and RBC CM, including their respective affiliates, directors, officers, employees and agents, against any and all losses, costs, claims and liabilities which any or all of them may suffer or incur arising out of a breach of any representation, warranty or statement of fact made by you. Neither Introducing Firm, RBC CM, nor their respective affiliates, shall be indemnified, defended and held harmless, however, against any liability (or any expenses incident to such liability) caused by such party's or affiliate's own willful misfeasance, bad faith, negligence or reckless disregard in the performance of Introducing Firm's or RBC CM's activities under the Advisor Agreement.

The indemnity provided by this section shall survive termination of the Advisory Agreement.

## **16. REPRESENTATIONS**

### **Representations by Client**

You represent that the terms of the Advisory Agreement do not violate any obligation by which you are bound, whether arising by contract including, but not limited to, applicable plan documents, operation of law or otherwise, and that, if required:

- The Advisory Agreement has been duly authorized by appropriate action and is binding upon you in accordance with its terms, and
- You will deliver to Introducing Firm, which will then deliver to RBC CM, such evidence of such authority as it may reasonably require, whether by way of a certified resolution, trust agreement or otherwise.

You represent that the financial and other information furnished by you in the Advisory Risk Profile, or otherwise, is accurate in all material respects and that you will promptly notify Introducing Firm, which will in turn notify RBC CM, of any material changes in any such information furnished by you.

If you are an individual, you represent that you are of the age of majority.

Unless you advise the Introducing Firm, which will in turn notify RBC CM, to the contrary in writing, and provide Introducing Firm and RBC CM with a letter of approval from your employer, where required, you represent that you are not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a member firm or member corporation registered on any exchange, or of any corporation, firm or individual engaged in the business of dealing, either as a broker or a principal, in securities, bills of exchange, acceptances or other forms of commercial paper.

You further represent that:

- No one except the person(s) signing the Advisory Agreement and any named beneficiary or, in the case of a Retirement Account, plan participant has an interest in the Program account(s);
- The execution, delivery and performance by you of the Advisory Agreement and any and all other instruments, documents and agreements executed in connection with the Advisory Agreement do not require the approval of any governmental or private agency, corporation or other entity;
- The Advisory Agreement and any and all other instruments, documents and agreements which you have executed and to which Introducing Firm and RBC CM are a party, constitute the legal, valid and binding obligations of yourself, enforceable against you in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally;

- You understand that neither RBC CM nor its affiliates provide legal, accounting or tax advice. All legal, accounting or tax decisions regarding your accounts and any transactions or investments entered into in relation to such accounts, should be made in consultation with your independent advisors. You understand that no information, including but not limited to written materials, provided by RBC CM should be construed as legal, accounting or tax advice.

If you are a trust, plan or other entity (each, an “**Entity Client**”), the trustee, plan fiduciary or other agent with authority to act on behalf of the entity represents and warrants that the Program account is suitable and within the scope of the governing documents for the trust, plan or other entity and applicable law, and that he or she is authorized to negotiate and enter into the Advisory Agreement on behalf of such entity. In addition, if you are an Entity Client, you agree to provide Introducing Firm, which will in turn provide RBC CM, all documentation requested by RBC CM regarding its authorized signatories and to promptly notify Introducing Firm, which will in turn notify RBC CM, of any changes in its authorized signatories. Each Entity Client agrees and acknowledges that Introducing Firm and RBC CM will rely on such information and instructions as it believes in good faith to be provided by an authorized signatory for such Entity Client.

If you are a partnership or a corporation (each, a “**Corporate Client**”), the signatory or signatories represent and warrant that the execution of the Advisory Agreement has been duly authorized by any necessary partnership or corporate action, and that the opening of the Program account(s) by the Corporate Client has been determined by the Corporate Client to be proper and permissible under the terms of all applicable documents and laws.

### **Representations by Introducing Firm**

Introducing Firm represents that it is an investment adviser with respect to the Program account as that term is defined in the Advisers Act or applicable state law. Introducing Firm further represents that it is, and at all times during the term of this Advisory Agreement will be, duly registered with the Securities and Exchange Commission (“**SEC**”) and/or with the state(s) in which it holds itself out as providing investment advisory services, as required by applicable law.

Introducing Firm represents and covenants that it will provide Client with a copy of its disclosure document or ADV, Part 2 as required by 204-3 of the Advisers Act, and Introducing Firm shall make an annual offer of its disclosure document or Part 2 of its Form ADV to Client, as required by applicable law.

Introducing Firm agrees that it shall indemnify and hold harmless RBC CM (and each of RBC CM’s employees, agents and affiliates) against any losses, claims, damages, liabilities or expenses to which RBC CM shall become subject as a result of or based upon any act or omission by Introducing Firm with respect to services to or on behalf of Client, except with respect to any act or omission as to which RBC CM (or its employees, agents and affiliate(s)) shall have been negligent, committed malfeasance or violated applicable law.

## **17. PROXY VOTING**

Except as may otherwise be described in a Program Supplement, neither Introducing Firm nor RBC CM shall vote proxies on behalf of any Program account. Your proxy voting designation in the Advisory Agreement will govern your proxy voting preferences for all of your Program accounts with your Introducing Firm at RBC CM. If, in the Advisory Agreement, you designate “Client” to vote proxies, RBC CM will forward all proxy solicitation and related materials, including annual and interim reports and any other issuer mailings that are received with respect to the securities in a Program account, to you or another third-party agent as designated by you to vote. To the extent that instructions regarding the voting of proxies are not received and as permitted by law, RBC CM will comply with the rules of Financial Industry Regulatory Authority (“**FINRA**”), the New York Stock Exchange, Inc. (“**NYSE**”) and the SEC relating to such matters.

To the extent you designate “Manager” to vote proxies on your behalf, thereby giving authority to the third-party Investment Manager(s), RBC CM as Portfolio Manager, and/or the Overlay Manager (i.e., Envestnet or RBC CM), your designation is only valid if accepted by that designee. In addition, to the extent your designation cannot be implemented for one or more Programs (because it is not available as an option in such Program or Program accounts), you or another third-party agent as designated by you will be responsible for voting such proxies. If you are responsible for voting proxies for any Program, RBC CM will forward all proxy solicitation and related materials to you to vote. You may change your proxy voting election at any time upon written agreement with your Introducing Firm and RBC CM.

Unless required by applicable law, Introducing Firm, the Investment Manager(s) and/or Overlay Manager(s) will not be obligated to render any advice to or take any action on behalf of you with respect to legal proceedings, including bankruptcies or class actions, involving securities held or previously held in a Program account or involving the issuers of such securities. RBC CM’s sole obligation with respect to any such legal proceeding is to forward to you, or your designee, within a reasonable period of time, any materials or other information with respect to such legal proceeding received from the issuer or third parties.

## Retirement Accounts

With respect to Retirement Accounts subject to ERISA:

- Other than where RBC CM serves as Overlay Manager, neither of RBC CM nor Introducing Firm shall have responsibility or authority to vote proxies on behalf of the Program account.
- RBC CM understands, and you hereby confirm, that the right to direct the voting of proxies is reserved to a named fiduciary of the plan.
- Introducing Firm and RBC CM and, unless you indicate otherwise in the Advisory Agreement, the Investment Manager(s) and/or Overlay Manager(s) selected by you are expressly precluded from voting proxies on behalf of an ERISA account (although Introducing Firm and RBC CM may, in their capacity as a broker, act pursuant to the instructions of a named plan fiduciary). Introducing Firm and RBC CM shall deem the authority to vote proxies as expressly reserved to a named plan fiduciary, and Introducing Firm and RBC CM shall have no obligation whatsoever to take action on your behalf with respect to proxy-related material.

## 18. PROVISIONS APPLICABLE TO RETIREMENT ACCOUNTS

### Retirement Accounts subject to ERISA

- For ERISA accounts, you represent that: (A) your governing instruments provide that an “Investment Manager,” as that term is defined in ERISA, may be appointed in the manner provided by the Advisory Agreement; and (B) the person executing and delivering the Advisory Agreement on behalf of yourself is a “named fiduciary”, as defined in ERISA, or designated as a “named fiduciary” pursuant to the procedure described in ERISA, who has the power under the plan to appoint an Investment Manager.
- Each Investment Manager and Overlay Manager (in its respective agreement with RBC CM) and RBC CM (solely in its capacity in RBC as Overlay Manager) acknowledges that it is an investment fiduciary.
- During the period of the Advisory Agreement, you agree to obtain and maintain any bond required pursuant to ERISA or other applicable law. You agree to provide Introducing Firm, which will in turn provide RBC CM, with appropriate documents evidencing such coverage promptly upon request.
- You authorize brokerage transactions for the Program account to be effected with and/or through Introducing Firm and RBC CM. You may terminate such authorization by so notifying Introducing Firm, which will in turn notify RBC CM, in writing. You acknowledge that you otherwise have received information sufficient to provide this authorization, including information regarding Introducing Firm’s and RBC CM’s brokerage practices.
- You represent that the services to be provided by Introducing Firm and RBC CM and the investments and related transactions contemplated by the Advisory Agreement, are consistent with and permissible under your plan documents.
- Each of RBC CM and Introducing Firm acknowledges that it is a fiduciary within the meaning of ERISA to the extent that it renders investment advice (within the meaning of the regulations under that section) regarding ERISA plan assets in an ERISA Account.
- For additional disclosures to ERISA Accounts, please see the ERISA Service Provider Disclosure attached hereto.

## Retirement Accounts

### For all Retirement Accounts:

- You represent that you are a fiduciary, as defined in ERISA and/or the Code, as applicable, with respect to the Program account and independent of Introducing Firm and RBC CM (or any Introducing Firm or RBC CM affiliate).
- In the case of a Program account for which you elect to be billed directly, if billing invoices are not timely paid, they will remain the obligation of the Program account and will be deducted directly from the Program account. You hereby authorize such deductions and further agree that all assets in the Program account or otherwise held for you by RBC CM or any affiliate shall be subject to a lien for the discharge of the fees and additional charges payable by you under the Advisory Agreement, as set forth under Section 9: “Program Fees” above.
- If RBC CM receives any Rule 12b-1 or other similar fees with respect to shares of any mutual fund held in the account, RBC CM shall credit those fees to the account.
- If your Consulting Solutions or RBC UP account holds Funds managed by RBC GAM-US, including the RBC BlueBay Access Capital Community Investment Fund or CNR Funds, the net management fee charged by the Fund company will be rebated to you. For other RBC CM affiliated Funds, or third-party Funds sub-advised by RBC GAM-US or CNR, the Program Sponsor Fee payable to RBC CM and, when RBC CM acts as Overlay Manager, the Overlay Manager Fee will not be assessed to the value of these Funds that are maintained in your Retirement Account. Unless required by applicable law, the credit or offset does not apply to other Fund expenses such as transfer agency fees and shareholder servicing fees, or actual distribution, and other fees paid to RBC CM and its affiliates.

- RBC CM shall maintain records, and make them available, as may be necessary under any Department of Labor rule, regulation or prohibited transaction exemption relied upon by RBC CM with respect to a transaction involving the Program account.
- You shall not be permitted to open or maintain an RBC Express Credit (margin) account with RBC CM or any other broker dealer with respect to the Program account.
- Principal transactions involving RBC CM are prohibited in Program accounts.

## **19. SERVICE TO OTHER CLIENTS**

You acknowledge and understand that Introducing Firm and RBC CM perform investment advisory and other services for various clients, including services similar to those rendered under the Advisory Agreement. You agree that Introducing Firm and RBC CM may give advice and take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to you under this Advisory Agreement.

## **20. EFFECTIVE DATE; AMENDMENTS; TERMINATION**

This Advisory Agreement will not become effective until accepted by the Introducing Firm, and delivered to and accepted by RBC CM and shall remain in effect until terminated by one of the parties to this Advisory Agreement. The date on which the Advisory Agreement becomes effective is referred to as the “Effective Date.”

RBC CM has the right to amend or modify the Advisory Agreement upon advance written notice to all parties. Any such amendment will be effective as of the date established by RBC CM in such written notice.

You may terminate a Program account with us at any time upon verbal or written notice to Introducing Firm, which will in turn notify RBC CM (effective upon actual receipt of such notice by RBC CM). Introducing Firm or RBC CM may terminate a Program account upon written notice to the other parties, or upon the occurrence of certain events including but not limited to death or if we deem the Program account to be lost due to returned mail or other notices. As further described in Section 9: “Program Fees” of this Advisory Agreement, upon termination, we may owe to you a pro-rated portion of the Program Fee.

Upon termination of the Program account, the Program account will revert to a brokerage account that is subject to all standard fees and commissions, and each of RBC CM, when acting as Overlay Manager, and Introducing Firm will no longer be a fiduciary as defined under the Advisers Act or, for Retirement Accounts, within the meaning of Section 3(21) of ERISA, with respect to that Program account.

Such termination will not, however, affect the liabilities or obligations under the Advisory Agreement arising from transactions initiated prior to such termination. Transactions completed after the termination of a Program account will be charged commissions according to and consistent with the rates customarily charged by RBC CM and Introducing Firm in an ordinary transaction-based, non-discretionary brokerage account.

Upon termination of the Program account, it shall be solely your responsibility to issue instructions regarding the disposition of the assets in the Program account(s). Introducing Firm and RBC CM shall be under no obligation whatsoever to recommend any action with regard to any such investments. RBC CM and Introducing Firm retain the right, however, to complete any open transactions as of the termination date and to retain amounts in the Program account(s) sufficient to effect such transaction(s).

Termination of a Program account that has been funded for less than one year from the Effective Date may result in all Fund shares in the Program account being redeemed by RBC CM.

Termination of a Program account does not terminate the Advisory Agreement between you, Introducing Firm and RBC CM. The Advisory Agreement will remain in effect allowing you to enroll accounts in the Program(s) or make changes to existing Program accounts upon verbal or written instruction to Introducing Firm, which will in turn notify RBC CM.

The Advisory Agreement may be terminated at any time by Introducing Firm or RBC CM upon written notice to you, and by you upon verbal or written notice to Introducing Firm, which will in turn notify RBC CM, effective upon actual receipt of such notice by RBC CM and subject to the termination of any Program accounts subject to this Advisory Agreement. The Advisory Agreement will automatically be terminated by RBC CM without written notice to you 30 days after all existing accounts established in the same legal capacity with RBC CM under this contract are closed.

The Advisory Agreement will automatically be terminated if (i) RBC CM no longer serves as fully disclosed clearing broker to your Introducing Firm, or its affiliate broker-dealer, as applicable, or (ii) your Introducing Firm, and its affiliate if applicable, are no longer duly qualified under applicable law as a broker-dealer or registered investment advisor.

## **21. GOVERNING LAW**

The Advisory Agreement shall be deemed to have been made in the State of Minnesota and (except to the extent state law is preempted by federal law) shall be governed by, construed, interpreted, and the rights and liabilities of the parties determined in accordance with the laws of the State of Minnesota, without giving effect to the choice of law or conflict of laws principles thereof.



## **22. NO ASSIGNMENT**

No assignment of the Advisory Agreement (within the meaning of the Advisers Act) shall be made by Introducing Firm and/or RBC CM without your consent. You may not assign or transfer the Advisory Agreement without the consent of Introducing Firm and RBC CM.

## **23. NO WAIVER**

RBC CM's failure to insist at any time upon strict compliance with any provision of the Advisory Agreement, or any delay or failure on RBC CM's part to exercise any power or right given to it in the Advisory Agreement, or a continued course of such conduct on RBC CM's part, shall at no time operate as a waiver of such power or right, nor shall any single or partial exercise preclude any other further exercise. All rights and remedies given to RBC CM in the Advisory Agreement are cumulative and not exclusive of any other rights or remedies which it otherwise holds.

## **24. THIRD PARTIES**

Nothing in these terms and conditions expressed or implied is intended or shall be construed to confer upon or give any person or entity other than the parties to this Advisory Agreement and their respective successors or permitted assigns, any rights or remedies under or by reason of the Advisory Agreement.

## **25. ENTIRE ADVISORY AGREEMENT; SEVERABILITY**

The Advisory Agreement contains the entire understanding between you, Introducing Firm and RBC CM, concerning the subject matter of the Advisory Agreement, and it takes the place of any conversations, oral agreements and commitment letters or other documents between Introducing Firm, RBC CM and yourself. The provisions of the Advisory Agreement shall be continuous and shall inure to the benefit of RBC CM's present organization, and any successor organization or permitted assigns, and shall be binding upon your heirs, executors, administrators, personal representatives, permitted assigns or successors in interest.

If any provision of the Advisory Agreement is held to be invalid, void or unenforceable by reason of any law, rule, administrative order or judicial decision of a tribunal or otherwise, that determination shall not affect the validity of the remaining provisions of the Advisory Agreement and, to such extent, the provisions of the Advisory Agreement shall be deemed to be severable and remain in full force and effect.

## **26. WRAP FEE PROGRAM BROCHURE**

You hereby acknowledge that you have received and had an opportunity to read the Introducing Firm's and RBC CM's Brochure as required by Rule 204-3 under the Advisers Act or applicable state law.

## **27. CONFIDENTIALITY AND PROTECTING CLIENT'S PRIVACY**

Except as otherwise agreed to in writing or as required or permitted by law, RBC CM shall keep confidential all information concerning your identity, financial data and investments. You understand that RBC CM will share your relevant information with (1) your selected Program Investment Manager(s) or Overlay Manager(s) in order for the selected Program Investment Manager or Overlay Manager to adequately manage your Program account and/or (2) certain companies that RBC CM or the selected Program Investment Manager partner with to service your Program accounts. Recommendations and advice given to you shall be regarded as confidential among you and, if applicable, the Investment Manager(s) and/or Overlay Manager(s).

RBC CM is providing you with its privacy notice under the Gramm-Leach-Bliley Act (15 U.S.C. fl 6801 et. seq.), which is hereby incorporated into the Advisory Agreement by this reference. You are advised to read this privacy notice carefully, as it sets forth RBC CM's privacy policies with respect to RBC CM's use and sharing of your non-public personal information. RBC CM reserves the right to modify its policies with respect to your non-public personal information upon reasonable prior notice to you.

## **28. ARBITRATION AGREEMENT**

This Advisory Agreement contains a pre-dispute arbitration clause. By signing the Advisory Agreement, the parties agree as follows:

- ALL PARTIES TO THE ADVISORY AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.
- ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
- THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.

- THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 20 DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.
- THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
- THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.
- THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THE ADVISORY AGREEMENT.
- YOU AGREE THAT ANY CONTROVERSY ARISING OUT OF OR RELATING DIRECTLY OR INDIRECTLY TO THE ADVISORY AGREEMENT, OR ANY INVESTMENT BY OR ON BEHALF OF YOU HEREUNDER, OR WITH RESPECT TO TRANSACTIONS OF ANY KIND EXECUTED BY OR WITH RBC CM, INTRODUCING FIRM, OR EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES OR AFFILIATES, OR WITH RESPECT TO THE ADVISORY AGREEMENT OR ANY OTHER AGREEMENTS ENTERED INTO WITH RBC CM RELATING TO THE ACCOUNTS WITH RBC CM OR THE BREACH THEREOF, SHALL BE SETTLED BY ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT AND IN ACCORDANCE WITH THE RULES, THEN IN EFFECT, OF FINRA. JUDGMENT UPON ANY AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.
- NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION, OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL: (A) THE REQUEST FOR CLASS CERTIFICATION IS DENIED; (B) THE CLASS IS DECERTIFIED; OR (C) THE PERSON IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THE ADVISORY AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN. THIS ARBITRATION CLAUSE DOES NOT CONSTITUTE A WAIVER OF ANY RIGHT PROVIDED BY THE ADVISERS ACT, INCLUDING THE RIGHT TO SELECT THE FORUM, WHETHER ARBITRATION OR ADJUDICATION, IN WHICH TO SEEK RESOLUTION OF DISPUTES.

## 29. CAPTIONS

The captions in this Advisory Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect.

## 30. ACKNOWLEDGEMENT AND AGREEMENT

You acknowledge and agree that you have had an opportunity to read, and are familiar with, all of the terms and conditions of this Advisory Agreement, including but not limited to the Program Supplement for the applicable Program(s) in which you are participating. By signing this Advisory Agreement, you agree to all such terms and conditions. Further, you acknowledge and agree that you have had sufficient opportunity to ask questions, if any, of your Introducing Firm and have satisfied yourself as to any such questions prior to signing this Advisory Agreement.



# CONSULTING SOLUTIONS

## PROGRAM SUPPLEMENT

<b>Program Overview</b>	<p>In the Consulting Solutions program (“Program”) your Financial Professional will assist you in selecting one or more Investment Managers and one or more of their investment strategies (each an “Investment Strategy,” and collectively, “Investment Strategies”) from those RBC CM has made available in this Program. Upon consultation with you, your Financial Professional will provide you with recommendations regarding Investment Managers and their Investment Strategy or Investment Strategies that they believe are suitable and consistent with your Advisory Risk Profile, defined in the Advisory Master Services Agreement Terms &amp; Conditions (“Terms &amp; Conditions”) as your investment objectives, risk tolerance, investment time horizon.</p>
<b>Investment Authority</b>	<p>In Consulting Solutions, you are responsible for the selection of the Investment Manager and Investment Strategy. The Investment Manager has discretionary authority over your account and will implement investment decisions for your account in accordance with the Investment Strategy that you have selected, subject to any reasonable investment restrictions you have requested, and which have been accepted by your Introducing Firm, RBC CM and the Investment Manager.</p> <p>In Consulting Solutions, you are also conferring upon the Investment Manager the authority to delegate any or all of the Investment Manager’s rights, duties and obligations under this Advisory Master Services Agreement (“Advisory Agreement”) with respect to the investment and reinvestment of assets in your account to an affiliated entity of the Investment Manager (a “Sub-Investment Manager”) that is registered as an investment adviser under the Investment Advisers Act of 1940. Any delegation by an Investment Manager to a Sub-Investment Manager shall not relieve the Investment Manager of its duties and obligations under this Advisory Agreement and the Investment Manager shall be responsible for the acts and omissions of the Sub-Investment Manager as if such acts and omissions were its own.</p>
<b>Program Fee</b>	<p>The Program Fee you pay consists of 1) the Introducing Firm Fee paid to your Introducing Firm for the services their Financial Professionals provide in the Program negotiated between you and your Introducing Firm, 2) the Program Sponsor Fee paid to RBC CM, and 3) the Investment Manager Fee for the investment management services provided by your selected Investment Manager.</p> <p>Investment Manager Fees vary. RBC CM negotiates the Investment Manager Fee with each Investment Manager. If RBC CM negotiates a new fee rate with your selected Investment Manager(s), the overall Program Fee you pay will not change. If you change your Investment Manager, the Investment Manager Fee component of your Program Fee may increase or decrease based on the Investment Manager(s) selected by you, but the overall Program Fee you pay will not change. In both cases, the Introducing Firm Fee component of your Program Fee will increase or decrease to offset the new Investment Manager Fee.</p> <p>We pay a portion of the Investment Manager Fee to each Investment Manager. The Investment Manager Fee portion of the Program Fee for each Program account will be calculated with respect to each Investment Manager based on the value of the assets managed by the Investment Manager and the fee rate applicable to that Investment Manager.</p> <p>For more information regarding the Program Fee and its components, see the RBC Advisory Programs Disclosure Document (Form ADV, Part 2A Appendix 1, Wrap Fee Programs Brochure).</p>

<b>Reasonable Investment Restrictions</b>	You can request that certain reasonable investment restrictions be placed on the management of your Consulting Solutions account. Reasonable investment restrictions include restrictions on the purchase and/or sale of certain securities or categories of securities related to a financial sector or industry (e.g., fossil fuels, tobacco). Such restrictions are subject to acceptance by your Introducing Firm, RBC CM and the Investment Manager as reasonable, in each their sole discretion.
<b>Proxy Voting</b>	If in the Advisory Agreement you designate “Manager” to vote proxies, the selected Investment Manager, subject to their acceptance, will receive all proxy-related materials, annual reports and other issuer-related materials that RBC CM receives pertaining to the securities in your account. Your Investment Manager retains the right to rescind its acceptance of the proxy authorization at any time. If the Investment Manager has elected to not vote client proxies, or if you have designated “Client” to vote proxies in your Advisory Agreement, you (or a third-party agent designated by you) retain the right and authority to vote all proxies for securities. You may change your proxy voting election at any time upon written agreement with your Introducing Firm and RBC CM.
<b>Trade Confirmations</b>	Your Trade Confirmation designation in the Advisory Agreement will govern your trade confirmation frequency preference for your Consulting Solutions account. If you select “Daily” in the Advisory Agreement, you will receive trade confirmations on a trade-by-trade frequency. If you select “Monthly” in the Advisory Agreement, you will receive a monthly transaction summary statement, which will identify all relevant trade information. You may at any time and at no cost to you, request a copy of the trade confirmation for transactions that appear on the monthly transaction summary statement, as well as any subsequent transactions, or previous transactions effected through your Introducing Firm and RBC CM. You may change your trade confirmation frequency at any time upon written agreement with your Introducing Firm and RBC CM.
<b>Effective Date, Changes and Termination</b>	<p>You acknowledge the right and authority of RBC CM to terminate any Investment Manager from the Consulting Solutions program upon written notice to you. You further acknowledge that each Investment Manager available in the Program has the right and authority to terminate their participation in the Program upon not less than thirty (30) days advance written notice to RBC CM. In such event, RBC CM will promptly contact your Introducing Firm, which will in turn consult with you as to one or more alternative Investment Managers available in the program that would be compatible with your Advisory Risk Profile. If you do not select a new Investment Manager, RBC CM may terminate your Consulting Solutions account.</p> <p>You may terminate any Investment Manager or reallocate account assets to one or more different Investment Managers (subject to the applicable requirements of the Investment Manager available under the Program) by notifying your Introducing Firm, which will in turn notify RBC CM. Such termination or reallocation will be effective upon the actual receipt of such notice by your Introducing Firm, RBC CM and the Investment Manager.</p>

The RBC CM Advisory Master Services Agreement and RBC Advisory Programs Disclosure Document (Form ADV, Part 2A Appendix 1, Wrap Fee Programs Brochure) (the “Brochure”) is available upon request from your Financial Advisor. Our Brochure is also available on the Securities and Exchange Commission (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# RBC ADVISOR

## PROGRAM SUPPLEMENT

<b>Program Overview</b>	<p>RBC Advisor is a non-discretionary, investment advisory program (“Program”) through which your Financial Professional provides you with ongoing investment advice and recommendations, but you retain final decision-making authority over the trading activity in your Program account. In RBC Advisor, your Introducing Firms is responsible for working with you to determine a suitable investment strategy that’s consistent with your designated Advisory Risk Profile, as defined in the Advisory Master Services Agreement Terms &amp; Conditions (“Terms &amp; Conditions”) as your investment objectives, risk tolerance, investment time horizon. You are responsible for approving your selected investment strategy. Based on your investment strategy, you will work with your Financial Professional to select various Program-eligible investment products in accordance with your investment strategy. Because you exclusively receive investment advice through your Introducing Firm and its Financial Professional(s), RBC CM does not assume responsibility for the performance of the securities selected by you or your Financial Professional, or for the conduct or particular recommendations made by your Introducing Firms or its Financial Professionals.</p> <p>Clients have the opportunity to borrow money through lending programs, including RBC Express Credit (“Margin”) offered by RBC CM, subject to eligibility requirements.</p>
<b>Investment Authority</b>	<p>With RBC Advisor, your Financial Professional will make recommendations to you, and you are responsible for the adoption and approval of your investment strategy, as well as all security specific recommendations for your Program accounts. RBC CM has no discretionary authority with respect to your RBC Advisor account and will execute only transactions directed by your Introducing Firm and its Financial Professionals, with the exception of mutual fund share classes deemed ineligible for the Program by RBC CM, as further described in the Terms &amp; Conditions.</p> <p>You understand that an RBC Advisor account is not intended for day trading or other frequent trading activity, including frequent options trading, and your Introducing Firm may, without limiting any other rights or remedies it may have, restrict or terminate your Program account if it determines that you are engaging in such activity.</p>
<b>Investment Selection</b>	<p>RBC CM determines which securities are eligible for recommendation in RBC Advisor, which include equities, fixed income, Funds (as defined in the Terms &amp; Conditions) and/or other investments. In identifying and selecting eligible securities, we use various sources of information including, but not limited to, data provided by unaffiliated third parties, research materials, prospectuses, financial publications, and other public filings and reports. Eligible securities may change without notice.</p> <p>You may not purchase ineligible securities within an RBC Advisor account. Please confirm with your Financial Professional in advance whether a specific security is eligible.</p> <p>Certain securities purchased within the RBC Advisor account may be accompanied by a prospectus or Private Placement Memorandum (“PPM”). You should obtain and read the prospectus or PPM carefully before investing. In addition, RBC CM may restrict or terminate the account if you purchase for or transfer into the account ineligible securities without the prior consent of RBC CM.</p> <p>You are solely responsible for selecting securities and approving trades in the Program account. Losses resulting from client-initiated and/or client-directed transactions, including, without limitation, losses resulting from the frequent trading or transactions in ineligible securities, are solely your responsibility.</p>

Investment and insurance products are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

<b>Program Fee</b>	The Program Fee you pay consists of the Introducing Firm Fee paid to your Introducing Firm for the services their Financial Professionals provide in the Program, as negotiated between you and your Introducing Firm, and the Program Sponsor Fee paid to RBC CM.
<b>Reasonable Investment Restrictions</b>	In RBC Advisor, you are responsible for ensuring adherence to any reasonable investment restrictions that you may require.
<b>Proxy Voting</b>	In RBC Advisor, clients retain the right and authority to vote all proxies for securities. RBC CM does not have, and will not accept, authority to vote client securities held in RBC Advisor accounts. In the Advisory Master Services Agreement (“Advisory Agreement”), if you designate “Manager” to vote proxies for any RBC Advisor account, we will default proxy voting authority to you, “Client,” and in accordance with applicable law, we will forward to you (or a third-party agent designated by you) all proxy-related materials, annual reports, and other issuer-related materials that RBC CM receives pertaining to the securities in your Program account.
<b>Trade Confirmations</b>	RBC Advisor accounts can only receive trade confirmations on a trade-by-trade daily basis. In the Advisory Agreement, if you elect to receive your trade confirmations on a “Monthly” frequency, we will default trade confirmation frequency to “Daily.”

The RBC CM Advisory Master Services Agreement and RBC Advisory Programs Disclosure Document (Form ADV, Part 2A Appendix 1, Wrap Fee Programs Brochure) (the “Brochure”) is available upon request from your Financial Professional. Our Brochure is also available on the Securities and Exchange Commission (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# RBC UNIFIED PORTFOLIO

## PROGRAM SUPPLEMENT

<b>Program Overview</b>	<p>The RBC Unified Portfolio (“RBC UP”) program (“Program”) is a “unified managed account” Program in which a single client account can invest in all or some of the following investment products (each, an “<b>Investment Product</b>”), which may or may not be affiliated with RBC CM: eligible open-end and closed-end mutual funds (“mutual funds”), exchange traded products (“ETPs”) including exchange traded funds (“ETFs”) and exchange traded notes (“ETNs”) and/or Model Portfolios managed and provided by Model Providers. “Model Provider” refers to the non-discretionary investment advisers (RBC-affiliated and unaffiliated) that provide their model portfolio(s) (each, a “Model Portfolio”) for use in the Program.</p> <p>The different Investment Products are held in “sleeves” (each, a “Sleeve”) in a single RBC UP account and managed on a discretionary basis by the “Overlay Manager.” The Overlay Manager for an RBC UP account will either be RBC CM or Envestnet, a third-party, portfolio manager not affiliated with RBC CM, as described below.</p>
<b>Recommendation Of Investment Strategy</b>	<p>You will work with your Financial Professional to determine the investment strategy and target investment allocation for your RBC UP account that’s consistent with your Advisory Risk Profile, defined in the Advisory Master Services Agreement Terms &amp; Conditions (“Terms &amp; Conditions”) as your investment objectives, risk tolerance, investment time horizon, subject to any reasonable investment restrictions you establish with your financial Professional (and accepted by us and the Overlay Manager as reasonable). The target investment allocation for your RBC UP account will ultimately be comprised of the specific Investment Product(s) that you select from those available in the Program and a target allocation to each such Investment Product.</p> <p>Once you have determined the target investment allocation and selected one or more Investment Product(s) for your RBC UP account, your Financial Professional will provide the Overlay Manager with such information, and the information you provided to your Financial Professional to open and enroll your account in the Program, including any reasonable investment restrictions you have requested be placed on your account. You can change the target investment allocation and/or Investment Products for your account by notifying your Financial Professional, who will in turn notify the Overlay Manager of the change. RBC CM will send you written confirmation of such change.</p>
<b>Investment Authority</b>	<p>The Overlay Manager for your RBC UP account will be determined by the specific services you elect to receive in the Program. If you elect tax management services (“<b>Tax Management</b>”) and/or responsible investing screens services (“<b>Screens</b>”), each as further described below, your account will be managed by Envestnet as Overlay Manager, pursuant to an investment advisory agreement with RBC CM. If you do not select Tax Management or Screens, your account will be managed by RBC CM as Overlay Manager.</p> <p>The services provided by the Overlay Manager include, but are not limited to, the following:</p> <ul style="list-style-type: none"><li>• Discretionary management of your RBC UP account, meaning the Overlay Manager will buy, sell, and otherwise effect transactions in stocks, bonds, and other securities or assets without consulting you and without your prior consent. See Recommendation of Investment Strategy for more information.</li></ul>

Investment and insurance products are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

<p><b>Investment Authority</b></p>	<ul style="list-style-type: none"> <li>• Rebalancing of assets. See Rebalancing of Assets for more information.</li> <li>• Proxy voting, if in the Advisory Agreement you designate “Manager” to vote proxies. See Proxy Voting for more information.</li> <li>• Tax Management, if elected. See Tax Management for more information.</li> <li>• Screens, if elected. See Screens for more information.</li> </ul> <p>You understand and acknowledges that delays may occur between the communication of Model Provider’s revisions of the Model Portfolio and the execution of securities transactions for your account.</p> <p>If your RBC UP account is invested only in mutual funds and/or ETPs, and not invested in a strategy provided by a Model Provider, you have sole discretion to accept or reject any specific recommendation to purchase or redeem mutual fund or ETP shares. The Overlay Manager will have time and price discretion, or limited discretionary authority, with respect to your RBC UP account and will execute only transactions directed by you, in accordance with the rebalancing frequency elected by you, and to manage cash flows.</p>
<p><b>Program Fee</b></p>	<p>The Program Fee you pay consists of 1) the Introducing Firm Fee paid to your Introducing Firm for the services their Financial Professionals provide in the Program negotiated between you and your Introducing Firm, 2) the Program Sponsor Fee paid to RBC CM, 3) the Overlay Manager Fee for services of the Overlay Manager, and, as applicable, 4) the Model Provider Fee for the Model Portfolio(s) provided by any Model Provider(s).</p> <p>When RBC CM acts as Overlay Manager, the Overlay Manager Fee is 0.05%, which will be retained by us as compensation for our services as Overlay Manager. When Envestnet acts as Overlay Manager, the Overlay Manager Fee is 0.10% and includes Envestnet’s Tax Management and/or Screens services, if selected.</p> <p>If more than one Model Portfolio is included in your RBC UP account, RBC CM employs a Sleeve-level billing methodology to calculate the amount of each Model Provider Fee. The amount will be determined by calculating the value invested in each Model Portfolio, or Sleeve, multiplied by the applicable Model Provider Fee for each Model Portfolio in your RBC UP account at the time of each billing event.</p> <p>The Model Provider Fee is negotiated between RBC CM and each Model Provider and may increase or decrease from time to time. If RBC CM negotiates a new fee rate with a Model Provider, the overall Program Fee you pay will not change. If you change your Model Portfolio(s) or Overlay Manager, your Model Provider Fee or Overlay Manager Fee component of your Program Fee may change accordingly, but the overall Program Fee you pay will not change. In both cases, the Introducing Firm Fee component of your Program Fee will increase or decrease to offset any new Model Provider Fee or Overlay Manager Fee.</p>
<p><b>Rebalance Of Assets</b></p>	<p>You can choose between two rebalancing frequencies (quarterly or annually) to bring your RBC UP account back to its target investment allocation. The Overlay Manager will rebalance your account either quarterly or annually, per your selection, executing the trades necessary to rebalance your account as closely as practicable to your target investment allocation. The initial rebalance date will be based on the account start date. Additionally, your account may be rebalanced at any time when deemed appropriate by the Overlay Manager due to other factors that include, but are not limited to, contributions, withdrawals, and updates to a Model Portfolio. Any unscheduled rebalance of your account will reset the next rebalance date to the next quarter or a year, as applicable.</p> <p>If you have elected to receive Tax Management (described below), Envestnet will evaluate the trade-off between rebalancing the account and the tax consequences of any client limits. If your account is not tax-exempt, the sale, redemption, or exchange of investments may result in taxable gains or losses. RBC CM will not be liable for any tax consequences or mutual funds and/or ETP redemption fees (see the mutual fund or ETP prospectus) that result from rebalancing.</p> <p>Alternatively, you may elect to not have your RBC UP account rebalanced, in which case the account will only be rebalanced upon request. In addition, if the Overlay Manager deems a rebalance is necessary to implement the allocation and investments selected, the Overlay Manager may rebalance your account at its discretion.</p> <p>In general, any contributions or withdrawals of assets to or from your account will be applied to the target investment allocation.</p>



**Tax Management**

Tax Management is available if you are utilizing an equity, mutual fund or ETP Model Portfolio, or any combination thereof. If you elect Tax Management, Investnet will develop a tax strategy for your account based on the information and instructions, including any limits, provided by you to your Financial Professional (verbally or in writing) and your Financial Professional forwards to Investnet. Tax Management offers potential benefits and limitations, as described below. The tax strategy Investnet develops is provided solely in connection with your account. Neither Investnet nor RBC CM provide tax advice or tax planning services of any kind; clients are urged to consult with their own personal tax advisors for advice specific to their situation.

- You may cancel Tax Management at any time. Cancelling Tax Management may result in the recognition of significant taxable capital gains or losses. If you cancel Tax Management, but your account maintains or enrolls in Screens, Investnet will continue to act as Overlay Manager.
- Accounts that include Investment Products not eligible for Tax Management (i.e., mutual funds, ETP and/or bond Model Portfolios) may still elect Tax Management, but Tax Management will not be applied to those Investment Products.

If your Program account is enrolled in Tax Management, you may not separately request that Investnet harvest gains or losses in your account. Except when Investnet's Quantitative Portfolios are included in your investment allocation, Investnet will only seek to harvest losses from equity Model Portfolios and Fund Model Portfolios.

Investnet will not seek to harvest losses from mutual funds, ETPs, or bond Model Portfolios.

When the equity Model Portfolios in a client's target investment allocation are solely Investnet's Quantitative Portfolios, and they comprise at least 35% of the client's total target investment allocation, the client can select Investnet's "Portfolio Diversification Solution," an additional Tax Management service.

For more information regarding Tax Management, including benefits and limitations, see the RBC Advisory Programs Disclosure Document (Form ADV, Part 2A Appendix 1, Wrap Fee Programs Brochure) (the "Brochure").

You should consult your own personal tax advisor before enrolling in Tax Management and providing any tax information to your Introducing Firm and Investnet.

**Screens**

Screens are available to you if you are utilizing an equity Model Portfolio. You may restrict their accounts from investing in certain securities or industries by selecting Screens services for your account(s).

If a third-party data research provider changes the classification of an individual security, Investnet will make reasonable efforts to implement those changes in a timely manner. Investnet may implement restrictions by, for example, increasing the relative proportions of other securities to replace the restricted securities and/or selecting alternate securities.

Many of the Screens have both a "Best in Class" and "Strict" restriction. Best in Class restrictions are designed for investors seeking to achieve alignment between their values and the prudent management of their investments, while strict restrictions are designed for investors who want to integrate more stringent environmental/social criteria into their investments by minimizing exposure to companies with specific products, services, and/or operations that do not meet the investor's personal values criteria.

Account holders with investment allocations that include equity Model Portfolios and other Investment Products may still elect Screens, but these services will only be applied to equity Model Portfolios and not to other Investment Products in a Program account. The application of Screens can cause an account to underperform or overperform than other similarly invested accounts that have not elected Screens services.

<b>Reasonable Investment Restrictions</b>	<p>You can request that certain reasonable investment restrictions be placed on the management of your RBC UP account. Reasonable investment restrictions include restrictions on the purchase and/or sale of certain securities or categories of securities related to a financial sector or industry (e.g., fossil fuels, tobacco). Such restrictions are subject to acceptance by your Introducing Firm, RBC CM and the Overlay Manager as reasonable, in each their sole discretion. You are responsible for notifying your Financial Professional of any changes to your investment restrictions.</p>
<b>Proxy Voting</b>	<p>If in the Advisory Agreement you designate “Manager” to vote proxies, RBC CM or Envestnet as Overlay Manager, will receive all proxy-related materials, annual reports, and other issuer-related materials that RBC CM receives pertaining to the securities in your account. When we vote proxies, we have retained an independent third-party proxy voting agent (Institutional Shareholder Services (“ISS”)) to provide fundamental research and independent voting recommendations based on its standard proxy voting guidelines, and to vote proxies in your account(s) on our behalf. If you have designated “Client” to vote proxies in your Advisory Agreement, you (or a third-party agent designated by you) retain the right and authority to vote all proxies for securities. You may change your proxy voting election at any time upon written agreement with your Introducing Firm and RBC CM.</p>
<b>Trade Confirmations</b>	<p>Your Trade Confirmation designation in the Advisory Agreement will govern your trade confirmation frequency preference for your RBC UP account. If you select “Daily” in the Advisory Agreement, you will receive trade confirmations on a trade-by-trade frequency. If you select “Monthly” in the Advisory Agreement, you will receive a monthly transaction summary statement, which will identify all relevant trade information. You may at any time and at no cost to you, request a copy of the trade confirmation for transactions that appear on the monthly transaction summary statement, as well as any subsequent transactions, or previous transactions effected through your Introducing Firm and RBC CM. You may change your trade confirmation frequency at any time upon written agreement with your Introducing Firm and RBC CM.</p>
<b>Effective Date, Changes And Termination</b>	<p>You acknowledge the right and authority of RBC CM to remove any mutual fund, ETP, Model Provider, and Overlay Manager being utilized by you in the RBC UP Program upon notice to you. You further acknowledge that Model Providers and Overlay Managers have the right and authority to terminate their respective agreements with RBC CM.</p> <p>If a Model Portfolio selected by you is no longer available in RBC UP and you do not select a new Model Portfolio before the removal date, we will move your assets to an available Model Portfolio which we deem, in our sole discretion, to be consistent with the Model Portfolio that is no longer available. If an appropriate Model Portfolio is not available, we will move your assets to an appropriate mutual fund or ETP.</p> <p>If a mutual fund or ETP is no longer eligible in the Program, your Financial Professional will work with you to select a suitable replacement investment.</p> <p>If an Overlay Manager selected by you is no longer available in RBC UP, RBC CM shall replace the Overlay Manager as soon as practicable. You can change your Model Provider, Model Portfolio, mutual fund and/or ETP or reallocate assets in your RBC UP account to a different Model Portfolio (subject to the applicable requirements of the Model Portfolio), mutual fund and/or ETP available under the Program. You can effect any such change by notice to your Financial Professional, who will in turn notify RBC CM and the Overlay Manager, and such reallocation will be effective upon the actual receipt of such notice (verbal or written) by RBC CM and the Overlay Manager.</p>

The RBC CM Advisory Master Services Agreement and RBC Advisory Programs Disclosure Document (Form ADV, Part 2A Appendix 1, Wrap Fee Programs Brochure) (the “Brochure”) is available upon request from your Financial Professional. Our Brochure is also available on the Securities and Exchange Commission (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# Service Provider Disclosure

## ERISA Section 408(b)(2)

### RBC Clearing & Custody (CS)



Clearing &  
Custody

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FOR YOUR RECORDS

RBC Clearing & Custody, a division of RBC Capital Markets, LLC (“RBC CM”, “we”, “us”, “our”) is registered with the Securities and Exchange Commission (“SEC”) as both a broker-dealer and an investment adviser. You receive services from RBC CM as a client of another broker-dealer or registered investment adviser for which RBC CM provides custody and clearing services through our RBC Clearing & Custody division. Pursuant to Department of Labor Regulation section 2550.408b-2(c) we are providing you with information regarding the services we provide, our fiduciary status, and the compensation we receive related to your retirement plan.

This disclosure is intended to be comprehensive and to cover all possible compensation, both direct and indirect, that RBC CM, its subcontractors and its affiliates could receive as a result of providing services to your plan. For compensation that is specific to a product and/or service, RBC CM, its subcontractors and affiliates will only receive the designated compensation if your plan or its participants hold such product or use such service. Certain services and compensation only apply where assets are custodied at RBC CM. Please carefully review the products and services in your plan in order to determine which are applicable.

RBC CM does not serve as financial professional to your account. RBC CM has entered into an arrangement with your financial professional or your financial professional’s firm to provide certain clearing, custody and execution services to your account on behalf of your financial professional. Your financial professional is not an employee or independent contractor of RBC CM but instead provides services to your plan pursuant to a separate agreement with your plan. The amount of the compensation collected by your financial professional for these services will be disclosed by your financial professional in a separate disclosure.

As used in this disclosure, any reference to “your financial professional” will include both your individual financial professional and the firm which employs your financial professional, if applicable.

In instances where information has or will be disclosed to you by us or is available in other documents, we may refer you to those documents. If you have any further questions, please contact your financial professional.

#### I. SERVICES PROVIDED BY RBC CM

Pursuant to a fully disclosed clearing agreement with your financial professional, RBC CM provides certain “back-office” functions to your plan, including providing custody of securities and other assets in your plan, executing trades on the instructions provided by your financial professional, mailing trade confirmations and other statements, and, if applicable, checking, debit cards and other features which you have requested in relation to your plan’s accounts.

The services provided to your retirement plan depend on a number of factors including whether you or plan participants select a brokerage relationship or investment advisory relationship, or a combination of both. Please refer to the Terms and Conditions in your Qualified Retirement Plan Client Agreement. See also our Client Relationship Summary (Form CRS) on our website at [rbcm.com/disclosures](http://rbcm.com/disclosures) for more information regarding the specific services you receive from RBC CM.

In addition, if your plan or at least one plan participant is in one of the RBC CM advisory programs, including RBC Advisor, Consulting Solutions or RBC Unified Portfolio (the “Advisory Programs”) RBC CM will provide such additional services as detailed in the “Programs” section of the Advisory Programs Terms & Conditions or in the applicable “Program Supplement” to the Advisory Master Services Agreement Terms & Conditions (collectively referred to herein as the “Terms & Conditions”). Specific investment advisory services provided by RBC CM vary by program. When your plan and/or plan participants initially entered into these Advisory Programs, you entered into an agreement that sets forth which of the Advisory Programs you are in as well as the relevant terms and fees; however, if you are not sure of which one applies, please contact your financial professional. For additional information about our brokerage services, our investment advisory services, or to obtain an updated copy of this “ERISA Section 408(b)(2) Service Provider Disclosure”, please visit our website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

#### II. STATUS AS FIDUCIARY OR INVESTMENT ADVISER

We are not acting as a fiduciary for the plan under ERISA or as an investment adviser registered under the Investment Advisers Act of 1940 (the “Advisers Act”) except for the specific accounts that are a part of the Consulting Solutions and RBC Unified Portfolio Advisory Programs.

**Investment and insurance products are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.**

As previously disclosed to you in the Terms & Conditions, in our Advisory Programs we are providing services as an investment adviser registered under the Advisers Act, and we are a fiduciary within the meaning of ERISA Section 3(21)(A)(ii) to the extent that we have or exercise discretionary authority or provide non-discretionary investment advice for compensation. Please see the sections referencing “retirement accounts” in the Terms & Conditions for additional information regarding our investment fiduciary status.

If your plan or a participant is in the Consulting Solutions or RBC Unified Portfolio Advisory Programs, RBC CM, third party or affiliated investment managers or overlay managers that provide discretionary management services provide such services as investment advisers registered under the Advisers Act (or an equivalent state law), and are fiduciaries within the meaning of ERISA Section 3(21)(A)(ii) to the extent that they provide investment advice for compensation.

For additional information about our fiduciary status, please see our “RBC Capital Markets Advisory Programs Disclosure Document” (Form ADV Part 2A) on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

### III. FEES AND COMPENSATION

Please see the Terms & Conditions and Advisory Programs Disclosure Document provided upon enrollment into an Advisory Program for important additional compensation that may apply in accounts that are part of the Advisory Programs. The “RBC Capital Markets Advisory Programs Disclosure Document” is also available on our website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

The compensation listed below includes possible compensation received by RBC CM, its subcontractors or affiliates in non-Advisory Program accounts. The fees you will pay and the compensation RBC CM receives are dependent upon the investment products selected by the plan or plan participants, the services provided by your financial professional, and whether the relationship is brokerage, advisory or both. Information on fees your plan or plan participants pay and compensation we receive in brokerage accounts can be found in the “Customer Account Agreement & Disclosures” provided to you at account opening. These disclosures include our “Cash Sweep Program Overview”, “Mutual Fund Overview” and “Order Routing and Payment for Order Flow Disclosure” which can be found on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures). For a schedule of fees charged by RBC and your brokerage firm, you may visit Investor Connect through your Financial Professional’s website or directly at [www.investor-connect.com](http://www.investor-connect.com) where a list of fees is included in the section titled “other”. Please contact your Financial Professional with additional questions about the list of fees, or for help accessing Investor Connect.

#### Advisory Program Compensation

Additional information on fees your plan or plan participants pay and compensation we receive for accounts enrolled in our Advisory Programs can be found in the Terms & Conditions and Advisory Programs Disclosure Document provided to you upon enrollment into an Advisory Program. The “RBC Capital Markets Advisory Programs Disclosure Document” is also available on our website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

#### Compensation of the Purchase or Sale of Securities

RBC CM receives compensation from plan assets in the form of custody fees and/or in the form of transaction fees related to the purchase or sale of funds or securities by your plan or its participants. RBC CM’s custody fee ranges from an annual amount equal to 0.01% to 0.50% of plan assets held at RBC CM and cover the cost of providing custody, executing trades, and generating and mailing statements and other account documents. Minimum fees may apply. These custody fees are generally charged directly against plan assets but may be charged against your financial professional pursuant to our agreement with your financial professional. Pursuant to our clearing agreement with your financial professional, for each transaction in a security executed by a plan or a plan participant, RBC CM will charge your financial professional a transaction fee (also called a ticket charge). The ticket charge covers the cost to RBC CM of clearing the trade and ranges from \$0 to \$75 per transaction. In certain cases, we will also charge your financial professional an execution fee that covers RBC CM’s costs in executing the trade. This fee may range from \$0 to \$3 for each unit involved in the transaction (i.e. per share, per contract or per bond).

In addition, for certain security transactions we will collect a customer handling fee. This fee covers the cost of generating, mailing and storing the confirmation related to the transaction and is deducted directly from the plan account. The amount of this fee may range from \$0 to \$99.00 per transaction. RBC CM may retain anywhere from \$0 to \$5 of this fee, and pay the remainder to your financial professional. This fee is not charged on trades involving mutual funds.

RBC CM will also collect commissions on transactions on behalf of your financial professional. These amounts are collected directly from the plan account or other assets and are forwarded to your financial professional. The amount of these commissions is set by your financial professional. Please see your agreement with your financial professional for more detail on the amount of these fees.

For any particular trade the total amount of the customer handling fee and the commission charged by your financial professional will be listed on the trade confirmation under the section titled “commission/handling”.

In cases where a client purchases a security in the initial offering (i.e., directly from the issuer), and RBC CM participates in the underwriting or distribution of the security, RBC CM will receive compensation as described in the offering documents for such transaction that will be delivered to you. The amount of compensation received by RBC CM will depend on a number of factors and could range from 0.01% to 4.00% of the total amount invested.

If your plan or its participants invest in an Exchange Traded fund (“ETF”) that is part of the no-transaction fee (“NTF”) ETF program, RBC CM will receive compensation from the fund affiliates in connection with the purchase and holding of such fund. Under the agreement with the fund affiliate, RBC CM waives the ticket charge associated with transacting in the ETF, and in exchange the fund affiliate pays RBC CM an annualized fee that ranges from 0.01% to 0.15% of the total value of the specified assets invested in the ETF, a portion ranging from 5% to 35% of the net expense ratio of the fund, and/or an annual platform fee of an agreed upon dollar amount. Please see the “NTF Mutual

Fund List” on our public website [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures) for a list of the funds that participate in our NTF program. From time to time, we add or drop fund families from the NTF program; please review the website regularly.

### **Compensation from Unbundled Managed Account Services**

If your plan or its participants are in RBC CM’s Unbundled Managed Account Services (“UMAS”) Program, RBC CM will charge your financial professional a custodial fee pursuant to an agreement between RBC CM and your financial professional. These fees compensate RBC CM for custodial services provided to the account, including holding plan assets, trade execution, account maintenance, and mailing trade confirmations and account statements. Depending on the agreement with the financial professional, the fee will either be (i) a flat quarterly fee ranging from \$0 to \$150 per account, plus a transaction fee ranging from \$0 to \$75 for each purchase or sale made in the account, or (ii) an annual fee that equals 0.01% to 0.50% of plan assets in the UMAS program. Minimum fees may apply.

In addition to amounts paid to RBC CM under the UMAS program, your financial professional charges an advisory fee as disclosed in your agreement with the financial professional. RBC CM collects this fee directly from the account on behalf of your financial professional, and forwards this fee directly to your financial professional.

### **Automatic Sweep Investment Options**

If your plan or its participants use any of the automatic sweep investment options offered by RBC CM, RBC CM receives compensation as described below from the provider of that product for services RBC CM performs in relation to the product. These services are provided pursuant to an agreement with the provider of the product and include, but are not limited to, shareholder sub-accounting, aggregation and processing of sweep transactions, providing customer statements and other regulatory documents, processing dividend and interest payments, forwarding shareholder communications, tax reporting, and daily activity settlement.

For amounts invested in an unaffiliated money market fund, the third-party money market fund pays RBC CM service fees in the form of a recordkeeping fee and a shareholder servicing fee. This provides us with an incentive to use third-party money market funds that pay us such fees instead of other funds that do not. These money market funds typically pay you a lower yield than money market funds that do not pay us these recordkeeping or shareholder servicing fees.

Pursuant to our clearing agreement with your financial professional, RBC CM may share amounts it receives from money market funds and RBC Insured Deposits with your financial professional. The amount we share with your financial professional is an annual amount ranging from 0% to 5% of the plan assets invested in the RBC Insured Deposits program. For the CIP, RBC CM may pay your financial professional an annual amount ranging from 0% to 5.00% of the plan assets invested in the Credit Interest Program.

In addition, as noted below, affiliates of RBC CM may receive compensation from the use of these products by the plan or its participants.

### **Non-Monetary Compensation/Sponsorships**

From time to time RBC CM may receive non-monetary compensation or event sponsorships from third parties that provide investment products to our plan clients, including mutual fund companies, insurance companies, investment managers and other vendors, to reimburse or subsidize the cost of employee or client events. Such events must be for educational or training purposes, and reimbursements may not be contingent upon sales targets or other incentives. Third parties may also provide gifts that do not exceed \$100 in total value per year to RBC CM employees. Occasional meals and entertainment may be also provided to employees.

### **Technology and Product Fees**

RBC CM may provide certain technology services, research and other products to your financial professional pursuant to a separate agreement with your financial professional. For example, RBC CM may make certain technology platforms available to your financial professional that enable certain trading functions in fixed income markets or the ability to research specific types of securities. RBC CM collects these fees directly from your financial professional and the amount of the fees are based on the number of users and type of product that your financial professional chooses. These fees may range from \$0 to \$500 per user per month, and are not dependent on the amount of plan assets held at RBC CM.

### **Other Fees**

RBC CM may charge the plan or its participants certain document fees and maintenance fees that will vary by plan and are disclosed in the relevant Adoption Agreement for the plan. In addition, RBC CM may charge the plan or its participants an annual fee as well as fees for certain services, including checking, debit cards, and margin (if applicable), all of which are disclosed in the applicable agreement for your plan or your participant.

RBC CM charges fees against plan assets for certain operational and other items, including wire transfers, overnight checks, duplicate confirms and statements, certificate rejects, registered overnight mail, restricted stock transfers, annual account maintenance fees, inactive account fees and safekeeping. RBC CM will collect between \$0 and \$650 for these services.

Certain services involve third party fees incurred by RBC CM that are passed through by RBC CM and charged against plan assets. These include transfer agent fees and Section 31 fees (exchange fees).

If the plan or its participants invest in alternative investments that are not publicly traded, RBC CM may charge fees related to the processing of these transactions and the custody of the investments, which are disclosed in the Alternative Investment Acknowledgement Form that is required to be signed prior to any such investment.

If the plan or its participants invest in international securities RBC CM utilizes a vendor service provider for foreign tax relief and reclaims. See the “Foreign Tax Relief and Reclamation Overview” on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures) for more information.

Information on fees your plan or plan participants pay in can be found in the “Customer Account Agreement & Disclosures” provided to you at account opening and can be found on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

#### **Termination Fees**

RBC CM will charge an account termination/account transfer fee of up to \$150 for any closing or transfer of an account. This cost is designed to cover our expenses in transferring assets and accounts. Please see the account agreement covering your plan for more information on this fee. As always, if you have any questions about this notice or your account(s) with us, please contact your financial professional.

If your plan or its participants are in an Advisory Program, there is no fee charged for terminating the advisory relationship. If the Advisory Program is terminated prior to the last day of the quarter, a prorated portion of the Program Fees paid by you, based upon the days remaining in the quarter, will be refunded to you. The account would then default to a standard commission-based brokerage account. For more information, see the “RBC Capital Markets Advisory Programs Disclosure Document” on our website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).



# RBC Advisory Programs

## Form ADV, Part 2A Appendix 1, Wrap Fee Programs Brochure

March 28, 2025

*This wrap fee program brochure provides information about the qualifications and business practices of RBC Wealth Management (“RBC WM”), a division of RBC Capital Markets, LLC (“RBC CM”). If you have any questions about the contents of this brochure, please contact us at (800) 759-4029. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.*

*Additional information about RBC CM and RBC WM is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC does not imply a certain level of skill or training.*

*The investment advisory services described in this brochure and offered through RBC WM are not insured by the Federal Deposit Insurance Corporation (the “FDIC”) or any other government agency, are not a deposit or other obligation of, or guaranteed by, RBC WM, RBC CM, or any bank or bank affiliates, and are subject to investment risks, including possible loss of the principal amount invested*

### Clearing & Custody

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**Investment and insurance products are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.**

## ITEM 2: MATERIAL CHANGES

This Form ADV Part 2A wrap fee programs disclosure brochure (the “**Brochure**”), dated March 28, 2025, contains the following material changes and other updates from the previously amended Brochure dated January 31, 2025. For more details on any specific update, please see the item in this Brochure referred to in the summary below.

- Item 4 has been updated to include an enhanced description of our firm as well as specific defined terms used throughout the Brochure, including replacing the previously used term “Correspondent Firm” with the term “Introducing Firm,” as reflected throughout.
- In Item 4 and throughout the Brochure, we have enhanced our description of the services provided in the Programs and language pertaining to our role in providing access to the general structure and investment options of the Programs to Introducing Firms and the roles and responsibilities of such Introducing Firms with respect to their clients.
- We have updated Item 4 to include a definition of “Retirement Accounts,” including those subject to (and not subject to) the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and individual retirement accounts (each, an “IRA”) as described in the Internal Revenue Code of 1986, as amended (the “Code”). In this same section, we also added language clarifying that RBC CM does not act as a fiduciary for any Introducing Firm client’s Retirement Account subject to ERISA or the Code, except in its capacity as Overlay Manager, if applicable.
- The discussion previously located in Item 4 titled “Account Opening and Maintenance” is now in Item 5, “Account Requirements and Types of Clients,” and has been updated to include additional detail on the Program account agreement.
- In Item 4, the discussion of reasonable investment restrictions has been revised to clarify applicable Programs, potential effect(s) on account performance, the process for requesting/imposing restrictions and how restrictions are handled upon termination and is now consolidated under the title “Reasonable Investment Restrictions.”
- Item 4 has been updated with a new subsection titled “Custody” which states that RBC CM will act as custodian for assets and securities held in Program accounts.
- The RBC Unified Portfolio (“RBC UP”) Program description has been updated in Item 4 to clarify that the specific services a client selects for their account will determine who the Overlay Manager is for that account.
- Item 4 has been updated to include a section titled “Other Disclosures Relating to the Programs” for those disclosures generally applicable to all Programs, including “Funding Program Accounts,” “Withdrawals from Program Accounts,” “Eligible Investments; Fund Share Class Selection,” and “Securities-Based Lending.” This section also includes the updated and relocated disclosures related to cash sweep titled, “Cash Balances and the Cash Sweep Program,” “Money Market Funds,” and “Cash Sweep Program Conflicts of Interest,” as well as a new sub-section titled “Interest Rates” which describes the interest rate tiers in RBC Insured Deposits.
- In Item 4, we have reorganized and expanded our disclosures regarding “Fees and Compensation” to clarify each component of the Program Fee and the components and ranges by Program, calculation of Program Fees, valuation of account assets, and discussion of prorated fees in applicable scenarios.
- Disclosures relating to Fund Fees and Expenses and Trading Away and Associated Costs have been updated and consolidated under the discussion of “Additional Fees and Expenses” in Item 4.
- In Item 5 “Account Requirements and Types of Clients,” the minimum account size for each of the RBC UP and Consulting Solutions Programs now reflects the range of minimums depending on selected Model Portfolio, Investment Manager, and/or Investment Strategy, as applicable.
- In Item 6 “Portfolio Manager Selection and Evaluation,” we have expanded the disclosures under “Selection of Investment Managers and Model Providers” to include additional detail on the selection and review process.
- In Item 6, the discussion of “Monitoring and Review of Investment Managers and Model Providers” has been updated with additional details around the scoring process, the Watch List, and considerations related to Performance of Investment Managers and Model Providers.
- In Item 6, the section formerly titled “Supervised Persons” has been renamed “Related Persons as Investment Manager, Model Provider, and/or Overlay Manager, and Associated Conflicts of Interest” and the disclosures thereunder have been expanded to include additional detail as well as the availability of RBC GAM UK as a Model Provider in RBC UP and the associated conflicts of interest.
- A new section titled “RBC CM Acting as Portfolio Manager” has been added to Item 6 and includes a discussion of the PAG fixed income portfolios available as Model Portfolios in RBC UP and the associated conflicts of interest.
- Descriptions of material risk factors associated with the Programs and the strategies utilized in the Programs are now contained in Item 6 under the section titled “Methods of Analysis, Investment Strategies and Risk of Loss” and have been enhanced and updated to include: Market Risk, Interest Rate Risk, Economic Conditions Risk, Credit Risk, Liquidity



Risk, and Risks Relating to Equities, Debt Securities, Specific Styles, Securities-Based Lending, Money Market Funds, Concentration, Sectors, Foreign Securities and Emerging Markets, High Yield Securities, Counterparties, and Derivatives.

- Information on proxy voting has been enhanced and consolidated under the section titled “Voting Client Securities (Proxy Voting)” in Item 6.
- Item 7 has been updated to clarify the information that we provide to Investment Managers and Overlay Managers.
- In Item 9, we have updated the section titled “Other Financial Industry Activities and Affiliations” to include clarifying titles for each subsection thereunder.
- In Item 9, the subsection previously titled “Code of Ethics” has been updated with the title “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading,” and all discussion of agency cross transactions, best execution, payment for order flow, order routing and rebates, trade errors, and trade aggregation and allocation has been updated with additional detail and consolidated under this subsection.
- In Item 9, the section formerly titled “Reviewing Accounts” has been renamed “Review of Accounts” and updated to clarify who conducts such account reviews.
- In Item 9, information regarding trade confirmations, account statements and portfolio reviews has been enhanced and consolidated under a new subsection titled “Reports to Program Clients.”

# ITEM 3: TABLE OF CONTENTS

## ITEM 1: COVER PAGE

ITEM 2: MATERIAL CHANGES .....	2
ITEM 3: TABLE OF CONTENTS .....	4
ITEM 4: SERVICES, FEES AND COMPENSATION .....	5
<b>Services</b> .....	6
<b>Advisory Programs</b> .....	7
RBC Advisor Program .....	7
RBC Unified Portfolio Program.....	7
Consulting Solutions Program.....	10
<b>Other Disclosures Relating to the Programs</b> .....	10
Funding Program Accounts .....	10
Withdrawals from Program Accounts .....	10
Eligible Investments; Fund Share Class Selection.....	10
Cash Balances and the Cash Sweep Program .....	11
Harvesting Gains or Losses .....	13
Securities-Based Lending .....	14
<b>Fees and Compensation</b> .....	15
Fees .....	15
Calculation of Program Fees; Valuation of Account Assets.....	16
Payment of Program Fee .....	17
Offset of Certain Fees to Retirement Accounts .....	17
<b>Comparing Costs</b> .....	18
<b>Additional Fees and Expenses</b> .....	18
<b>Compensation to Financial Professionals</b> .....	21
ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS .....	21
ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION .....	21
<b>Selection of Investment Managers and Model Providers</b> .....	21
Monitoring and Review of Investment Managers and Model Providers .....	22
Removal of an Investment Manager, Model Provider, or Fund .....	23
<b>Related Persons as Investment Manager, Model Provider, and/or Overlay Manager, and Associated Conflicts of Interest</b> .....	23
<b>RBC CM Acting as Portfolio Manager</b> .....	24
Performance-Based Fees and Side by Side Management .....	24
Methods of Analysis, Investment Strategies and Risk of Loss .....	24
Voting Client Securities (Proxy Voting).....	27
ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS .....	28
ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS.....	28
ITEM 9: ADDITIONAL INFORMATION .....	29
<b>Disciplinary Information</b> .....	29
<b>Other Financial Industry Activities and Affiliations</b> .....	32
Broker-Dealer Registrations .....	32
Futures/Commodities-Related Registrations.....	32
Material Relationships with Related Persons .....	32
Other Material Relationships .....	34
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> .....	35
Code of Ethics and Personal Trading .....	35
Participation or Interest in Client Transactions .....	35
<b>Review of Accounts</b> .....	36
<b>Financial Information</b> .....	37

## ITEM 4: SERVICES, FEES AND COMPENSATION

RBC Capital Markets, LLC (“RBC CM”), an indirect, wholly-owned subsidiary of the Royal Bank of Canada (“RBC”), is a registered investment adviser and broker-dealer with the U.S. Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”), the New York Stock Exchange (“NYSE”), and other major securities exchanges. RBC CM, through its RBC Wealth Management (“RBC WM”) division, offers clients (“you” or “your”) products and services in its capacity as investment adviser, including portfolio management, and as sponsor of various wrap fee advisory programs.

RBC CM, through its RBC Clearing and Custody division (“RBC C&C”), offers clearing and custody services to broker-dealers and registered investment advisers, and as applicable, their affiliates, (collectively, the “Introducing Firms”). These Introducing Firms have entered into an agreement with us whereby RBC CM makes available certain of RBC WM’s advisory programs to such Introducing Firms for recommendation to their clients as they deem suitable and appropriate.

For purposes of this brochure, RBC CM and RBC WM will collectively be referred to as “RBC CM,” the “Firm,” “we,” “us,” or “our.”

You engage with an Introducing Firm to provide investment advisory and other services to you. The Introducing Firm’s “Financial Professionals” (each, a “Financial Professional”) may offer one or more of the following RBC CM-sponsored advisory programs: RBC Advisor, RBC Unified Portfolio (“RBC UP”), and Consulting Solutions, (each, a “Program,” and collectively, the “Programs”). The Programs are customized advisory programs whereby Program services are provided pursuant to your investment advisory agreement(s) with RBC CM and the Introducing Firm, as described below.

This brochure describes the advisory services provided in the Programs, the fees you will pay, our role in relation to that of the Introducing Firm, other business activities and financial industry affiliations of the Firm, and the economic and other arrangements we have that create conflicts of interest. This brochure describes the Programs as they are intended to be used by Introducing Firms with their clients. It is important to note, however, that RBC CM, including its affiliates, is not responsible for the Introducing Firm’s compliance program including with respect to their responsibilities in use of the Programs. As such, while RBC CM provides access to the general structure and investment options of the Programs to Introducing Firms and their clients, all responsibility related to determining suitability and providing investment advice and recommendations that are in your fiduciary best interest (e.g., recommending an advisory account, a specific Program, an investment strategy, specific investment vehicle, and/or an investment manager, etc.), in accordance with the Investment Advisers Act of 1940, as amended (“Advisers Act”), lies with the Introducing Firm, its Financial Professionals, and you, as a client of such Introducing Firm.

RBC CM provides the Program services under a “wrap fee” arrangement. This means that in addition to the discretionary or non-discretionary investment advisory services that RBC CM provides in connection with each Program, RBC CM, in its capacity as broker-dealer, also provides certain trade execution, custody, and other brokerage services for a single wrap fee. A description of services and fees that are included in, and excluded from, the fee payable to RBC CM and/or the Introducing Firm for the Programs is included in the Advisory Agreement, as described below. It is the responsibility of the Introducing Firm’s Financial Professional(s) to work with you to analyze and define your investment objectives and needs to develop and/or select an investment strategy.

In this brochure, the term “Investment Manager” refers to a client’s discretionary investment adviser, which for certain Programs may be RBC CM or its affiliates, including (but not limited to) RBC Global Asset Management (U.S.) Inc. (“RBC GAM-US”) or in RBC UP, the “Overlay Manager” which is either RBC CM or Envestnet Asset Management, Inc. (“Envestnet”) as further described below. The term “Model Provider” refers to the non-discretionary investment advisers (affiliated and unaffiliated) that provide their model portfolio(s) (each, a “Model Portfolio”) for implementation in RBC UP. When used in this brochure, the term “Funds” includes open-end mutual funds, exchange-traded funds (“ETFs”), and/or exchange-traded notes (“ETNs”).

For purposes of this brochure, the term “Retirement Account” will be used to cover (i) “employee benefit plans” (as defined under Section 3(3) of Employee Retirement Income Security Act of 1974, as amended (“ERISA”), which include pension, defined contribution, profit-sharing and welfare plans sponsored by private employers, as well as similar arrangements sponsored by governmental or other public employers which are generally not subject to ERISA; and (ii) individual retirement accounts (each, an “IRA”) as described in the Internal Revenue Code of 1986, as amended (the “Code”). **RBC CM does not act as a fiduciary for any Introducing Firm client’s Retirement Account subject to ERISA or the Code, except in its capacity as Overlay Manager, if applicable.**

The Form ADV Part 2A brochure for each Investment Manager, Model Provider, and the third-party Overlay Manager available in applicable Programs is also available at the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Assets Under Management**

As of December 31, 2024, we had \$265,936,933,747 in assets under management, \$197,888,431,159 of which was managed on a discretionary basis and \$68,048,502,588 of which was managed on a non-discretionary basis.

## Services

To open and enroll an account in any of the Programs described herein, clients and their Introducing Firm are required to enter into a written investment advisory agreement with RBC CM known as the “**Advisory Master Services Agreement.**” RBC CM discontinued the use of its pre-existing “**Single Program Agreement**” for opening new Program accounts (but some existing Program accounts may have been opened using that Single Program Agreement). The Single Program Agreement and the Advisory Master Services Agreement shall be collectively referred to herein as the “**Advisory Agreement.**” As discussed in Item 5, the Advisory Agreement governs the terms of a client’s current and future investment advisory account(s) and relationships with RBC CM and outlines the services to be provided to the client’s account(s) in a Program.

As part of the advisory account opening process, Introducing Firms are responsible for working with their clients to determine their risk profile, which is intended to encompass the client’s risk tolerance, investment objective(s), investment time horizon, and financial situation (when referred to collectively, the “**Advisory Risk Profile**”). Introducing Firms provide Advisory Risk Profiles to RBC CM. It is each client’s responsibility to verify that the information they provide to their Introducing Firm is, and continues to be, complete and accurate, and to notify their Financial Professional and/or Introducing Firm promptly if any of their information and circumstances change. Based on the Advisory Risk Profile and other client information provided to the Financial Professional during the account opening process, each client will work with their Financial Professional to select a Program. The Introducing Firm is responsible for providing instructions to RBC CM regarding client enrollment and investment decisions. RBC CM has no discretionary authority to select a Program, strategy, or services on behalf of clients.

Pursuant to the Advisory Agreement, and as further discussed below, clients pay a quarterly, asset-based, wrap fee (the “**Program Fee**”) for investment advisory, brokerage execution, and other services rendered under a Program, to the Introducing Firm and RBC CM, typically based on the value of their accounts regardless of the number of trades placed. In certain circumstances, a client’s Introducing Firm or RBC CM may require the client to sign additional documentation relating to Program Fee.

The services generally covered by the Program Fee include the investment advisory services provided by the Introducing Firm, and Program management services provided by RBC CM (and depending on the Program, investment advisory services provided by the Investment Manager, Model Provider, and/or Overlay Manager), as well as trade execution, clearing, custody, and other administrative and account reporting services provided by RBC CM. Please see the detailed discussion of fees and other costs below under “Fees and Compensation” in Item 4.

### **Reasonable Investment Restrictions**

For all Programs except RBC Advisor (a non-discretionary Program, described below), clients can request that certain reasonable investment restrictions be placed on the management of their Program account(s). Reasonable investment restrictions include restrictions on the purchase and/or sale of certain securities or categories of securities related to a financial sector or industry (e.g., fossil fuels, tobacco). Such restrictions are subject to acceptance by Introducing Firm, RBC CM, and, where applicable, the Investment Manager(s) and/or the Overlay Manager as reasonable, in each of their sole discretion. It should be noted that any reasonable investment restrictions will not apply to the underlying portfolio of any Fund, unit investment trust (“UIT”), the sub-accounts of annuities, or other similar securities that are held or purchased in a Program account. When an account terminates from a Program and reverts to a commission-based brokerage account, any previously accepted, client-imposed investment restrictions for that account will also terminate and will no longer be applicable to the account as a brokerage account outside of the Programs.

Where reasonable investment restrictions have been accepted, they can be implemented in various ways, including, but not limited to, increasing the relative proportions of other securities in a portfolio to replace the restricted securities and/or selecting alternate securities. Any investment restrictions clients impose on the management of their Program account(s) can limit the Introducing Firm’s, the Investment Manager’s, and/or the Overlay Manager’s ability to make investments or take advantage of opportunities. Clients are responsible for notifying their Financial Professional, who will in turn notify RBC CM, of any changes to their investment restrictions. If applicable, RBC CM will then notify the Overlay Manager or Investment Manager of any changes to the investment restrictions.

### **Custody**

RBC CM will act as custodian for the assets and securities held in Program account(s).

## Advisory Programs

### RBC Advisor Program

RBC Advisor is a non-discretionary, investment advisory Program where you receive ongoing investment advice and recommendations from your Financial Professional but retain final decision-making authority over the investing activity in your accounts. In RBC Advisor, your Introducing Firm is responsible for working with you to determine a suitable investment strategy that's consistent with your Advisory Risk Profile. You are responsible for approving your selected investment strategy.

RBC CM determines which securities are eligible for recommendation in the RBC Advisor Program, which include equities, fixed income, Funds and/or other investments. In identifying and selecting eligible investments, we use various sources of information including, but not limited to, data provided by unaffiliated third parties, research materials, prospectuses, financial publications, and other public filings and reports.

Because you exclusively receive investment advice through your Introducing Firm and its Financial Professional(s), RBC CM does not assume responsibility for the performance of the securities selected by you or your Financial Professional, or for the conduct or particular recommendations made by your Introducing Firm or its Financial Professionals. For more information regarding the investment advisory services provided by your Introducing Firm, please contact your Financial Professional and/or refer to your Introducing Firm's Form ADV 2A Brochure.

As further discussed below in "*Fund Share Class Selection; Eligibility and Classification of Certain Investments*" in Item 4, while RBC CM has no discretionary authority with respect to RBC Advisor accounts, if you have transferred in a Fund share class that is not eligible for the Program, RBC CM can convert the ineligible Fund share class to an eligible share class of the same Fund without notification to you.

Certain annuities for which you have paid a commission, may appear on your account statement for informational purposes only. In such cases, these annuities are not considered advisory assets covered under the Advisory Agreement and are not subject to the Program Fee.

### RBC Unified Portfolio Program

The RBC UP Program is a "unified managed account" Program in which a single client account can invest in all or some of the following investment products (each, an "**Investment Product**"), which may or may not be affiliated with RBC CM: eligible Funds, closed end funds, and/or Model Portfolios managed and provided by Model Providers. The different Investment Products are held in "sleeves" (each, a "**Sleeve**") in a single RBC UP account and managed on a discretionary basis by the "**Overlay Manager**."

The Overlay Manager for an RBC UP account will either be RBC CM or Envestnet, a third-party portfolio manager that is not affiliated with RBC CM. In addition to providing discretionary account management, each Overlay Manager provides portfolio implementation, coordination, and other services as specified below. This discretionary authority includes the authority to implement any Model Portfolio(s) and/or other Investment Products you have selected for your RBC UP account, subject to any reasonable investment restrictions you have requested, and which have been accepted by your Introducing Firm and the Overlay Manager. Neither your Financial Professional nor RBC CM when RBC CM is not the Overlay Manager, have discretionary authority with respect to RBC UP accounts.

The Overlay Manager for your RBC UP account will be determined by the specific services you elect to receive in the Program. If you elect tax management services ("**Tax Management**") and/or responsible investing screens services ("**Screens**"), each as further described below, your account will be managed by Envestnet as Overlay Manager. If you do not select Tax Management or Screens, your account will be managed by RBC CM as Overlay Manager.

### Recommendation of Investment Strategy

You will work with your Financial Professional to determine the investment strategy and target investment allocation for your RBC UP account. The target investment allocation for your RBC UP account will ultimately be comprised of the specific Investment Product(s) that you select from those available in the Program and a target allocation to each such Investment Product.

Once you have determined the target investment allocation and selected one or more Investment Product(s) for your RBC UP account, your Financial Professional will provide the Overlay Manager with such information, and the information you provided to your Financial Professional to open and enroll your account in the Program, including any reasonable investment restrictions you have requested be placed on your account. You can change the target investment allocation and/or Investment Products for your account by notifying your Financial Professional, who will in turn notify the Overlay Manager of the change. RBC CM will send you written confirmation of such change.

As further discussed below under "Eligible Investments; Fund Share Class Selection" in Item 4, if your target investment allocation includes a Fund share class we deem ineligible for the Program, we may update the allocation to include the eligible share class of the same Fund without notification to you.

### **Overlay Manager Discretionary Authority**

If you select one or more Model Portfolios, the Overlay Manager will manage your RBC UP account in accordance with such Model Portfolios, and any updates thereto, as provided and communicated by the respective Model Providers to the Overlay Manager. The Model Providers available for selection in the Program have met RBC CM's eligibility requirements for participation as detailed below in Item 6: "Portfolio Manager Selection and Evaluation."

The Model Portfolios and changes to the Model Portfolios are typically implemented by the Overlay Manager as soon as practicable after they are received. However, while implementing the Model Portfolio, the Overlay Manager will take into account any reasonable investment restrictions, as discussed above, or client elected services as discussed below. Additionally, reasonable delays may occur between the communication of Model Portfolio revisions and the execution of securities transactions for an account.

Depending on the circumstances (including the extent to which Model Portfolios are widely distributed, the timing in which the Overlay Manager receives revisions to the Model Portfolios and acts on them, and the trading activity in the securities contained in the Model Portfolios), transactions in client accounts can be subject to significant market impact prior to execution. As a result, the implemented Model Portfolio can receive less favorable execution prices, particularly if the overall trading in the securities is large in relation to the securities' trading volume.

### **Rebalancing of Assets**

You can choose between two rebalancing frequencies (quarterly or annually) to bring an account back to its target investment allocation. The Overlay Manager will rebalance the account either quarterly or annually, per your selection, executing the trades necessary to rebalance the account as closely as practicable to your target investment allocation. The initial rebalance date will be based on the account start date. Additionally, your account may be rebalanced at any time when deemed appropriate by the Overlay Manager due to other factors that include, but are not limited to, contributions, withdrawals, and updates to a Model Portfolio. Any unscheduled rebalance of your account will reset the next rebalance date to the next quarter or a year, as applicable.

If you have elected to receive Tax Management (described below), Envestnet will evaluate the trade-off between rebalancing the account and the tax consequences of any client limits. If your account is not tax-exempt, the sale, redemption, or exchange of investments may result in taxable gains or losses. We will not be liable for any tax consequences or Fund redemption fees (see the Fund's prospectus) that result from rebalancing.

Alternatively, you may elect to not have the account rebalanced, in which case the account will only be rebalanced upon request. In addition, if the Overlay Manager deems a rebalance is necessary to implement the allocation and investments selected, the Overlay Manager may rebalance your account at its discretion.

In general, any contributions or withdrawals of assets to or from your account will be applied to the target investment allocation.

### **Tax Management**

Tax Management is available if you are utilizing an equity or Fund Model Portfolio, or any combination thereof. If you elect Tax Management, Envestnet will develop a tax strategy for your account based on the information and instructions, including any limits, provided by you to your Financial Professional (verbally or in writing) and your Financial Professional forwards to Envestnet. Tax Management offers potential benefits and limitations, as described below. The tax strategy Envestnet develops is provided solely in connection with your account. Neither Envestnet nor RBC CM provide tax advice or tax planning services of any kind; clients are urged to consult with their own personal tax advisors for advice specific to their situation. If you elect Tax Management, please consider the following:

- Tax Management is limited in scope and is not designed to eliminate taxes in the account. Envestnet can, in light of other considerations in an account, effect transactions even though they may generate tax liabilities, including short-term taxable income, or exceed any of the limits or mandates identified by the client. Envestnet makes no guarantee that tax liability in the account will be reduced or that any indicated limits or mandates will be met.
- The use of limits to restrict the amount of capital gains realized can severely restrict trading in the account and could result in substantial deviations from your investment allocation, on a more than temporary basis. Limits should only be imposed on the account after you have consulted with your own personal tax advisor. The limits specified will be used annually until you instruct us and Envestnet otherwise. If you elect Tax Management, your account can perform better or worse than similarly invested accounts (including, as applicable, accounts invested in the same Model Portfolio(s)) that did not elect Tax Management.
- When providing Tax Management, net short-term capital gains are avoided where possible, but net long-term capital gains are not limited.

- If your account is funded with positions that have long-term capital gains and you have not set a long-term capital gain limit, then all long-term tax lots of securities that are not included in your equity Model Portfolio(s) will be sold, which will cause you to incur long-term capital gains.
- If Fund Model Portfolios, or Investnet's Quantitative Portfolios, are included in your target investment allocation, existing Fund positions held in your account may be able to be retained for tax reasons, regardless of whether they are part of such Fund Model Portfolios, or Investnet Quantitative Portfolios. The Fund positions that are retained may have a higher cost. However, if you are not invested in Fund Model Portfolios, or Investnet Quantitative Portfolios, any existing Fund positions held in your account that are not included in your target investment allocation will be sold upon account opening regardless of tax consequences.
- You may cancel Tax Management at any time. Cancelling Tax Management may result in the recognition of significant taxable capital gains or losses. If you cancel Tax Management, but your account maintains or enrolls in Screens, Investnet will continue to act as Overlay Manager.
- Significant investment allocations to certain Fund Model Portfolios may result in less effective tax management. For example, Investnet has less flexibility in managing a client's tax strategy where a client is invested in a Fund Model Portfolio with frequent, tactical changes, thereby making it difficult to evaluate the portfolio's tracking error.
- Accounts that include Investment Products not eligible for Tax Management (i.e., Funds, closed-end funds and/or bond Model Portfolios) may still elect Tax Management, but Tax Management will not be applied to those Investment Products.

Investnet performs an automated year-end tax loss harvest review. For accounts with Tax Management that have net realized gains for the year, securities in equity Model Portfolios are reviewed for harvesting. Starting with the largest percentage loss tax lots that are available to sell (i.e., there is no wash sale or other sale restriction on the tax lot or security), Investnet will harvest losses until the account's net realized gains are eliminated, or all available tax lots with losses greater than 10% are harvested. The sales proceeds are invested into other Model Portfolio holdings and/or cash. This review process typically occurs in early December and is intended to harvest losses while minimizing the impact to the integrity of the investment allocation. Investnet's ability to harvest losses is dependent on account circumstances and market environment, among other factors. If your account is enrolled in Tax Management, you may not separately request that Investnet harvest gains or losses in your account. Except when Investnet's Quantitative Portfolios are included in your investment allocation, Investnet will only seek to harvest losses from equity Model Portfolios and Fund Model Portfolios. Investnet will not seek to harvest losses from Funds, closed-end funds, or bond Model Portfolios.

When the equity Model Portfolios in a client's target investment allocation are solely Investnet's Quantitative Portfolios, and they comprise at least 35% of the client's total target investment allocation, the client can select Investnet's "Portfolio Diversification Solution," an additional Tax Management service. Investnet's "**Portfolio Diversification Solution**" is a Tax Management service designed to transition a client's current holdings to their target investment allocation over a longer period of time (subject to any maximum) than might otherwise be allowed based on Investnet's standard tracking error thresholds. For these purposes, tracking error measures the difference between the performance of Model Portfolios when used in accounts with Tax Management and when used in accounts without Tax Management. With Investnet's Portfolio Diversification Solution, there are no limits on initial tracking error provided that the selected tax budgets will allow full transition to the target investment allocation within the determined time period. Tracking error will be higher at the beginning of the transition and will decline over time as capital gains are realized and the client's investments become increasingly more in line with the target investment allocation.

You should consult your own personal tax advisor before enrolling in Tax Management and providing any tax information to your Financial Professional and Investnet. For more information on Tax Management, please refer to Investnet's ADV which is available upon request or at the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Responsible Investing Screens**

Screens are available to you if you are utilizing an equity Model Portfolio. Clients may restrict their accounts from investing in certain securities or industries by selecting Screens services for their account(s). Investnet relies on third-party data research providers for industry and socially responsible classifications of individual securities, and Investnet and RBC CM make no guarantee as to the accuracy of such third parties' classification. The third-party data research providers of these classifications apply different definitions and criteria from other similar providers, which can generate different responsible investing ratings that, when applied, could result in the restriction of different securities (i.e., there is no single industry definition or uniformly applied criteria that inform the Screens).

If a third-party data research provider changes the classification of an individual security, Investnet will make reasonable efforts to implement those changes in a timely manner. Investnet may implement restrictions by, for example, increasing the relative proportions of other securities to replace the restricted securities and/or selecting alternate securities.

Many of the Screens have both a “**Best in Class**” and “**Strict**” restriction. Best in Class restrictions are designed for investors seeking to achieve alignment between their values and the prudent management of their investments, while Strict restrictions are designed for investors who want to integrate more stringent environmental/social criteria into their investments by minimizing exposure to companies with specific products, services, and/or operations that do not meet the investor’s personal values criteria.

Account holders with investment allocations that include equity Model Portfolios and other Investment Products may still elect Screens, but these services will only be applied to equity Model Portfolios and not to other Investment Products in a Program account. The application of Screens can cause an account to underperform or overperform when compared to other similarly invested accounts that have not elected Screens services.

### **Consulting Solutions Program**

In the Consulting Solutions Program, your Financial Professional will assist you in selecting one or more Investment Managers and one or more of their investment strategies (each an “**Investment Strategy**,” and collectively, “**Investment Strategies**”) from those RBC CM has made available in this Program. Upon consultation with you, your Financial Professional will provide you with recommendations regarding Investment Managers and their Investment Strategy or Investment Strategies that they believe are suitable and consistent with your Advisory Risk Profile. The Investment Managers made available to clients through this Program include both RBC CM affiliated and non-affiliated Investment Managers who meet the Firm’s eligibility requirements for participation as detailed below in Item 6: “Portfolio Manager Selection and Evaluation.”

In Consulting Solutions, you are responsible for the ultimate selection of the Investment Manager and Investment Strategy. The Investment Manager has discretionary authority over your account and will implement the investment decisions for your account in accordance with the Investment Strategy that you have selected, subject to any investment restrictions you have requested, and which has been accepted by the Investment Manager.

In the Consulting Solutions Program, the Advisory Agreement that you sign is between you, your Introducing Firm, and RBC CM; you do not sign a separate agreement with the Investment Manager.

### **Other Disclosures Relating to the Programs**

The following disclosures generally apply to all the Programs, unless noted otherwise.

#### **Funding Program Accounts**

You can fund your Program accounts at any time by depositing cash and/or securities acceptable to RBC CM (subject, for Retirement Accounts, to any limitations imposed under the retirement plan documents, ERISA, or the Code, as applicable). The investment of assets in a Program account will only occur when all operational requirements have been met. Deposits of cash and/or securities into Consulting Solutions or RBC UP accounts will be invested by the Investment Manager or the Overlay Manager, as applicable, as soon as reasonably practicable.

The management of a new Program account will begin after RBC CM has accepted the account into a Program and, as applicable, after the Investment Manager or Overlay Manager has accepted the account. At the time of Program enrollment, account acceptance could be delayed or rejected if the account is underfunded, funded with ineligible securities, and/or for other operational reasons. If you fund your Consulting Solutions or RBC UP account with securities, the Investment Manager or Overlay Manager (which may be RBC CM), as applicable, will liquidate the securities on your behalf, or request that Introducing Firm liquidate the securities on your behalf, and allocate the proceeds in accordance with the Investment Strategy or Investment Products you have selected. Depending on the type of security involved, liquidation may result in redemption charges and taxable gains or losses. RBC CM will not be liable for any lost opportunity profits that may result in investing or liquidating deposits.

#### **Withdrawals from Program Accounts**

Withdrawals from a Program account will be taken from cash balances in your Cash Sweep Option or other available cash balances, if available. If the liquidation of securities is required, trades will be implemented as soon as practicable, although they may be delayed depending on market volatility and/or the Program or security types for which your account is invested. Frequent withdrawals from your Program account may affect the performance and the investment objective of your account. Taxable gains and losses may be realized as result of your withdrawal instructions. RBW CM reserves the right to terminate the Program account if a withdrawal or series of withdrawals results in the Program assets falling below the Program minimums.

#### **Eligible Investments; Fund Share Class Selection**

Your Introducing Firm and/or RBC CM may restrict the purchase or holding of certain investments in Program accounts. If a Program account is funded with investments deemed to be ineligible, the Introducing Firm and/or RBC CM as Overlay Manager will generally liquidate such investments, or in the case of Funds, RBC CM will convert such investments to an



eligible share class of the same Fund without notice to you. Alternatively, you may instruct your Introducing Firm to move such investments to an eligible account. Your account may incur certain transaction charges as a result.

In identifying and selecting Funds eligible in the Programs, we may use many sources of information and analysis about Funds, including data provided by third parties. We determine which Fund share classes are available in the Programs based on a number of factors, including, but not limited to, availability, eligibility requirements, and payment of Operational Support and/or Marketing Support to us (as described below in the “Fund Fees and Expenses” section). We do not always make the lowest cost share class available to you. Lower cost share classes may be available to you elsewhere, including, but not limited to, through other broker-dealers to which RBC CM provides clearing, custody, and execution services. Where RBC CM offers a lower cost share class than the designated eligible share class for the Programs, in certain circumstances, RBC CM may grant exceptions for clients to hold their existing share class and for institutional clients to purchase the lower cost share class option. Thus, a broad array of Funds is available in the Programs. In accordance with applicable regulations, we will make a Fund’s current prospectus accessible to you when you purchase shares of the Fund through us.

If your account is not tax-exempt, the redemption or exchange of Fund shares can result in taxable gains or losses. RBC CM does not provide tax, legal or accounting advice and, therefore you should consult your own personal tax, legal or accounting advisors for such advice. We are not liable for any tax consequences or redemption fees that can result from rebalancing.

For a discussion of fees and certain conflicts of interest associated with Fund share class selection, please see the section below titled, “Fund Fees and Expenses.”

### **Cash Balances and the Cash Sweep Program**

Events such as deposits, the sale of securities, and/or other similar activity can generate uninvested cash balances in your account. Pursuant to your brokerage account agreement with RBC CM (the “**Customer Account Agreement**”), you have the option to have uninvested cash balances in your account(s) automatically deposited, on a daily basis, into an interest-bearing deposit account, a specified money market mutual fund, or a non-sweep cash investment alternative (each, a “**Cash Sweep Option**,” and collectively, the “**Cash Sweep Options**”). Upon notice to you, RBC CM may add, remove, or change the Cash Sweep Options available to you through the Cash Sweep Program (hereinafter, the “**Cash Sweep Program**”). As discussed below, the different available Cash Sweep Options are subject to eligibility requirements and restrictions. You should review your Customer Account Agreement and related Cash Sweep disclosures for details regarding the Cash Sweep Options. For additional information and disclosures on the Cash Sweep Options discussed here, refer to the links under “Cash Management” on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

The Cash Sweep Options available to you will depend, in part, on the type of account you have opened. You should consider the investment objectives, risks, charges, and expenses of the Cash Sweep Option(s) available to you before selecting that option. Please read any related disclosures, including prospectuses (as applicable), carefully before investing to make sure the Cash Sweep Option is appropriate for your goals and risk tolerance.

### **Non-Retirement Accounts**

Cash held in non-retirement accounts will be swept into the Cash Sweep Option you choose. The available Cash Sweep Options for non-retirement accounts are:

- **RBC Insured Deposits.** RBC Insured Deposits is a Cash Sweep Option that automatically deposits, or “sweeps,” available cash balances in your Program account into interest-bearing deposit accounts (“**Deposit Accounts**”) established for you at participating depository institutions (“**Program Banks**”), whose deposits are insured by the FDIC up to applicable limits, subject to bank capacity. The Program Banks include unaffiliated, third-party banks and two affiliated banks, **RBC Bank** (Georgia), N.A. (“**RBC Bank**”) and City National Bank (“**CNB**”) (together, “**RBC Affiliate Banks**” or “**Affiliate Banks**”). Funds in RBC Insured Deposits are not subject to market risk and potential value loss, but they are subject to the risk of a Program Bank’s failure. RBC CM is not an FDIC-insured depository institution. FDIC insurance available in RBC Insured Deposits is subject to certain conditions and FDIC insurance only protects against the failure of a bank. A list of Program Banks is available at [www.rbcclearingandcustody.com/rbc-insured-deposits-program-banks](http://www.rbcclearingandcustody.com/rbc-insured-deposits-program-banks). The RBC Insured Deposits terms and conditions are available at [www.rbcclearingandcustody.com/rbc-insured-deposits](http://www.rbcclearingandcustody.com/rbc-insured-deposits). More information regarding FDIC insurance is available at <http://www.fdic.gov>.

In the event a Program Bank fails, deposits at each Program Bank are eligible for FDIC coverage up to applicable limits. However, deposits at each Program Bank are not protected by the Securities Investor Protection Corporation (“**SIPC**”) or any excess coverage purchased by RBC CM. Cash balances in RBC Insured Deposits in excess of applicable limits are swept into one or more other banks (“**Excess Banks**”), which will accept funds without limitation and without regard to the FDIC limit, which may be RBC Affiliate Banks. Currently, the primary Excess Bank is CNB.

- **GAM Money Market Fund.** A money market fund managed by our affiliate, RBC GAM - U.S., (“**GAM Money Market Fund**”) subject to eligibility and applicable minimum amounts; or

- **Credit Interest Program.** The Credit Interest Program is a non-sweep cash alternative and represents our direct obligation to repay the invested amount, on demand, plus interest. We invest and use Credit Interest Program assets as free credit balances for our benefit, and we periodically adjust the interest rate payable on Credit Interest Program accounts. We use these funds in the ordinary course of our brokerage business, subject to the requirements of Rule 15c3-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). The difference between amounts earned by us from our investments and the rate we pay to Credit Interest Program account holders is our profit. Cash invested in the Credit Interest Program is protected by SIPC up to \$250,000 per account on claims for cash. SIPC protects against the custodial risk (and not a decline in market value) when a brokerage firm fails by replacing missing cash up to the \$250,000 limit.

### **Retirement Accounts**

Cash balances held in Retirement Accounts will be swept into an unaffiliated money market fund, the Federated Hermes Treasury Obligations Fund (the “**Federated Money Market Fund**”) You may access the most recent Federated Money Market Fund prospectus by contacting your Financial Professional or by accessing Federated Investment Management Company’s website at [www.federatedinvestors.com/products/mutual-funds/treasury-obligations/as.do](http://www.federatedinvestors.com/products/mutual-funds/treasury-obligations/as.do).

### **Money Market Funds**

As described above, the money market funds offered in the Cash Sweep Program are the GAM Money Market Fund and the Federated Money Market Fund. Money market funds will usually pay a higher rate of interest on cash balances than RBC Insured Deposits or the Credit Interest Program. Other financial institutions may offer cash sweep options that pay you a higher rate of interest than is available under the Cash Sweep Program. You can also receive higher rates on cash balances outside of the Cash Sweep Program by investing directly in money market funds or other cash alternatives; such investments must be directed by you and will not be invested automatically. For more information about the Cash Sweep Options available to you, please refer to your Customer Account Agreement, which can be found at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures), and/or the prospectuses of the Federated Money Market Fund and/or GAM Money Market Fund.

### **Interest Rates**

Interest rates are determined based on the total client account RBC Insured Deposits balance. Balances are reviewed daily to determine the appropriate interest rate tier for each account. Current RBC Insured Deposits interest rates are set forth on our public website under “Program Interest Rates” at [www.rbcclearingandcustody.com/rbc-insured-deposits](http://www.rbcclearingandcustody.com/rbc-insured-deposits). Interest rates are variable and subject to change without notice.

### **Cash Sweep Program Conflicts of Interest**

RBC CM has a conflict of interest in offering the Cash Sweep Options because RBC CM and/or its affiliates will receive compensation or benefits from cash balances swept to these Cash Sweep Options, in addition to the Program Fee assessed on Program accounts. This conflict of interest is greater when higher cash balances are maintained in your account. This creates an incentive for RBC CM to offer these Cash Sweep Options and to encourage deposits in these specific Cash Sweep Options.

- **RBC Affiliate Banks.** Our Cash Sweep Options create a conflict of interest for us because we have an incentive for you to maintain and direct uninvested cash in your account into Deposit Accounts at our Affiliate Banks where they use such deposits to generate additional revenue. We also receive revenue for your cash deposits directed to our Affiliate Banks through our RBC Insured Deposits program. Because the amount of interest paid to clients in RBC Insured Deposits is deducted from the revenue shared with us by our Affiliate Banks, RBC CM has a conflict of interest in that the less interest we pay you, the more revenue we earn on those assets. By being designated as the Primary Excess Bank in RBC Insured Deposits, CNB will receive substantial additional deposits to use in its business to increase its profitability. CNB earns revenue on the difference between the interest paid and other costs it incurs on deposits, and the interest or other income it earns on using deposits for loans, investments, and the purchase of other assets.
- **RBC Insured Deposits.** For RBC Insured Deposits cash balances placed with our Affiliate Banks, including amounts that exceed total FDIC program coverage and are placed at CNB in its capacity as the primary Excess Bank, our Affiliate Banks will receive a stable source of deposits at a cost that is less than other funding sources available. Our Affiliate Banks make a profit on the difference, or “spread,” between the interest paid and other costs they incur on deposits, and the interest or other income they earn using the deposits for loans, investments, and the purchase of other assets. Our Affiliate Banks can change the interest rate they pay on deposits at any time, which will change the amount of interest you receive. In addition, RBC CM receives compensation and benefits from these amounts in the form of a per account fee paid directly to RBC CM by the Affiliate Banks. Further, RBC CM receives internal accounting credits that help us meet our internal profitability goals as reported to our mutual parent company, which positively affect the amount of bonus paid to senior executives, including branch director personnel who supervise your accounts. The fees earned by RBC CM through RBC Insured Deposits are in addition to the Program Fee paid to RBC CM.

We address these conflicts of interest through proper disclosure and by offering clients the ability to opt-out of having their Deposit Accounts maintained at Affiliate Banks in non-retirement accounts.

For RBC Insured Deposits cash balances placed with third-party banks, these banks pay RBC CM a fee based on a percentage of assets placed with the third-party bank. RBC CM pays you interest out of the amount we receive from the third-party banks. The amount retained by RBC CM is larger than the amount we pay to you. The banks can change the interest rate they pay on deposits, and we can increase the amount of the fee we retain, both of which can change the amount of interest you receive. Because the amount of interest paid to clients is deducted from the revenue shared with us by the third-party banks, RBC CM has a conflict of interest in that the less interest we pay you, the more revenue we earn on those assets.

- **Credit Interest Program.** For the Credit Interest Program, we invest and use cash balances as free credit balances for our benefit. We use the free credit balances in the ordinary course of our brokerage business, subject to the requirements of Rule 15c3-3 under the Exchange Act. Under these arrangements, we invest Credit Interest Program assets and generally earn interest or a return based on short-term market interest rates prevailing at the time. We periodically adjust the interest rate payable on Credit Interest Program accounts, and the spread between the interest earned by us from our investments and the rate paid to Credit Interest Program account holders will be favorable to us. Because we do not waive the Program Fee, to the extent that your cash balance is invested in the Credit Interest Program, we earn two levels of income on such investments. We address these conflicts of interest through proper disclosure and by making the Credit Interest Program unavailable to Retirement Account clients.
- **Money Market Funds.** For amounts invested in an unaffiliated money market fund, the third-party money market fund pays RBC CM service fees in the form of a recordkeeping fee and a shareholder servicing fee. This provides us with an incentive to use third-party money market funds that pay us such fees instead of other funds that do not. These money market funds typically pay you a lower yield than money market funds that do not pay us recordkeeping or shareholder servicing fees. We address this conflict of interest by proper disclosure and by rebating or not charging omnibus, management and/or 12b-1 fees to Retirement Accounts.  
  
For amounts invested in shares of GAM Money Market Fund, RBC GAM - U.S. is an affiliate of RBC CM and RBC GAM - U.S. will receive fees for managing and servicing the fund (including management and other fees). RBC GAM - U.S. will also pay RBC CM 12b-1 fees, which provides us with another incentive to use this money market fund instead of another fund that does not pay us the same or any revenue share.
- **The Program Fee.** We charge the Program Fee on cash balances in your Program account(s) and we and/or our affiliates receive benefits from amounts invested in the Cash Sweep Options. This means that we and/or our affiliates earn two levels of fees on the same cash balances in your account.
- **Recurring Distributions.** In non-retirement accounts, you may also elect to automatically distribute accrued dividends, interest, capital gains, and return on capital payments from your account on a recurring basis. RBC CM invests and uses such cash balances as free credit from the date of deposit until the funds are distributed from your account, which is a benefit to us. You do not earn interest on free credit cash balances. Additional information regarding RBC CM's use of free credit cash balances can be found in the Credit Interest Program section of the Customer Account Agreement between you and RBC CM.

## Harvesting Gains or Losses

Certain Investment Managers and/or Overlay Managers may be able to accommodate tax harvesting at your request and election.

Except for RBC UP accounts enrolled in Tax Management provided by Envestnet, you can request that the Overlay Manager or Investment Manager for your applicable Program account(s) harvest gains or losses in your RBC UP or Consulting Solutions account. To request harvesting of gains or losses for your account in either of these Programs, you can notify your Financial Professional, who will in turn notify the Overlay Manager or Investment Manager. You must make such request each time, and for each account, that you desire gain or loss harvesting. Through our notification of your direction to the Overlay Manager or Investment Manager for your account, you are providing independent instructions to said Overlay Manager or Investment Manager to sell and to then either reinvest the loss sale proceeds in one or more replacement securities or retain the proceeds in cash. Gain sale proceeds will be reinvested in the account in accordance with the applicable asset allocation, as determined by the Overlay Manager or Investment Manager.

You can typically request gain or loss harvesting (i) for specified securities, (ii) for specified tax lots, (iii) in a specified total amount, or (iv) in the maximum amount available, subject to each Investment Manager's and Overlay Manager's own policies and/or ability and willingness to accommodate such requests. It is important to note that the Investment Manager or the Overlay Manager may reject your request for tax harvesting in whole or in part, at its discretion. In addition, tax harvesting services may not be available for certain Investment Strategies, and the availability of tax-harvesting functionality may be limited due to technology-related and other factors.

Please be aware that gain or loss harvesting is an intricate, nuanced strategy that may not be appropriate in all situations and may adversely impact investment performance. Neither RBC CM (including its affiliates) nor the Investment Managers or Overlay Managers provide any tax advice or make any guarantee that tax harvesting will be successful or produce any specific outcome. As such, you should consult your own independent tax, accounting and/or legal professionals before requesting gain or loss harvesting. In addition, when harvesting gains or losses, please keep the following in mind:

- If a replacement security increases in value during any applicable wash sale period, such increase can result in a short-term capital gain to you when sold upon expiration of the applicable wash sale period.
- There is no guarantee that harvesting requests received late in a calendar year will be completed before year-end.
- There is no guarantee that harvesting will achieve any particular result. Tax management or “harvesting” is not tax advice and may not achieve the intended results.
- If utilizing harvesting, your account holdings and performance can differ from other similarly invested accounts that do not utilize harvesting.
- Harvesting requests only apply to the specific account for which the request is made. If you buy or sell securities in an account that overlaps with the securities sold in another account and such sale generates a loss, this loss may be disallowed under the IRS wash sale rules.
- Withdrawing sale proceeds generated from harvesting will likely result in the rebalance of your account and the realization of additional capital gains or losses.

## **Securities-Based Lending**

Clients have the opportunity to borrow money through lending programs, including RBC Express Credit (“**Margin**”) offered by RBC CM and RBC Credit Access Line (“**CAL**”) offered by Royal Bank of Canada, a bank affiliate of RBC CM, collectively referred to as “**Lending Programs**”, subject to eligibility requirements. In these Lending Programs, the client’s loan is secured by investments and other assets in their account(s) at RBC CM, including those held in Program accounts. Retirement Accounts, including those subject to Title I of ERISA and IRAs, are not eligible for participation in the Lending Programs.

To participate in a Lending Program, you agree to maintain securities and/or other assets (“**Collateral**”) in your account that have a value at least equal to the amount required its terms (“**Maintenance Requirement**”). Various factors may be considered in determining your Maintenance Requirement(s), including the value, liquidity, and concentration of the Collateral. Not all securities are eligible to be used as Collateral.

If the Collateral declines in value, certain actions may be taken to maintain the Maintenance Requirement, including selling securities or other assets in your account. Due to market volatility, debt you incur can exceed the value of the Collateral you deposit in your account. You will be required to deposit additional cash or securities, or pay down your loan, should the value of your Collateral decline below the percentage equity you must maintain for your Maintenance Requirement, or should the percentage equity you must maintain for your Maintenance Requirement increase.

Through the Lending Programs, RBC CM and certain the Introducing Firms receive interest on loans RBC CM extends on Margin or through CAL. RBC CM is permitted to lend or utilize securities on Margin and may receive compensation in connection with the use of such securities. Additionally, certain Financial Professionals are compensated based on clients’ outstanding balances in the Lending Programs, which is calculated monthly, as further described below for each Lending Program. This compensation creates a conflict of interest because it incentivizes RBC CM, the Introducing Firm and its Financial Professionals to make these Lending Programs available to you as discussed in “Compensation to Financial Professionals,” in Item 4 below.

### ***RBC Express Credit (Margin)***

In this Lending Program, we charge you interest on credit extended to you for the purpose of purchasing, carrying, or trading in securities or commodities or otherwise using eligible securities in your accounts held with us as Collateral. Margin interest rates are determined using a base lending rate plus a sliding scale of percentages according to the size of your Margin debit balance. Your Financial Professional is paid a portion of the interest you pay on your loan balance. The use of Margin in your Program account will impact the Program Fee you pay as further discussed in the section titled, “Calculation of Program Fees” in Item 4 below.

### ***RBC Credit Access Line (CAL)***

In this Lending Program, you have access to a securities-based line of credit through Royal Bank of Canada. Interest rates can vary depending on factors such as your creditworthiness and the amount of credit for which you are eligible, as determined by Royal Bank of Canada. Interest you pay on your CAL is paid to Royal Bank of Canada. RBC CM, and generally your Introducing Firm, receive a portion of the interest and transactions fees earned by Royal Bank of Canada on your CAL.

For more information about these Lending Programs, please refer to “Risks Related to Securities-Based Lending” in Item 6 below and the “RBC Credit Access Line,” “RBC Express Credit”, and “Schedule of Fee” disclosures available at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

## Fees and Compensation

### Fees

In the Programs, you will pay the Program Fee, which is comprised of the Introducing Firm Fee, the Program Sponsor Fee, and for certain Programs, the Investment Manager Fee, the Model Provider Fee, and/or the Overlay Manager Fee (each as defined and described below).

- **Introducing Firm Fee.** In all Programs, you pay an “**Introducing Firm Fee**” to your Introducing Firm for the services their Financial Professionals provide in the Programs. The Introducing Firm Fee rate is determined between you and your Financial Professional.
- **Program Sponsor Fee.** In all Programs, you pay a “**Program Sponsor Fee**” to RBC CM which covers the services RBC CM provides as sponsor of the Program, as well as services related to the custody of account assets, trade execution, clearing and settlement, account reporting and other administrative services. The Program Sponsor Fee typically ranges from 0.00% to 0.40% of Program account assets under management.
- **Investment Manager Fee.** In addition to the Introducing Firm Fee and Program Sponsor Fee, accounts in Consulting Solutions are charged a separate fee for the investment management services of any Investment Manager (the “**Investment Manager Fee**”).
- **Overlay Manager & Model Provider Fee.** In addition to the Introducing Firm Fee and Program Sponsor Fee, accounts in RBC UP are charged a separate fee for the services of the Overlay Manager (the “**Overlay Manager Fee**”), and, as applicable, for the Model Portfolio(s) provided by any Model Provider(s) (the “**Model Provider Fee**”).

These separate fees (i.e., the asset-based fees to your Introducing Firm and RBC CM as Program sponsor, and the fee charged for any Investment Manager, Overlay Manager or Model Provider services) are referred to collectively as the “**Program Fee**” and will generally appear together as a single Program Fee on account statements and other communications. Because the Program Fee is assessed on the market value of assets in your account at the end of a quarter, the total amount of the Program Fee billed each quarter will generally change as Program assets increase or decrease in the Program account. **The maximum annual rate for the total Program Fee is 3.0%.**

You will receive written confirmation of the Program Fee for your account upon enrollment in a Program, and each time you and your Financial Professional agree to any changes. In certain circumstances, RBC CM and/or your Financial Professional may require you to sign additional documentation relating to the Program Fee (or a component thereof) for your account(s).

Information and ranges for Investment Manager Fees, Model Provider Fees, and Overlay Manager Fees are included below. These fee rates may increase or decrease from time to time which will impact the relevant fee component of your total Program Fee. In such case, your Introducing Firm Fee may increase or decrease, however your total Program Fee will not change. If you change your Investment Manager, Model Provider, or Overlay Manager, the relevant components of your total Program Fee may increase or decrease based on the Investment Manager, Model Provider, or Overlay Manager selected by you. In such case, we will notify you in writing of any change to your Program Fee.

### **Program Fee Components and Ranges by Program**

The Program Fee is established at the account level. The Program Fee components depend on the Program in which your account is enrolled, and therefore, the Program Fee can vary between Program accounts, as follows:

- **RBC Advisor.** The Program Fee consists of the Introducing Firm Fee and Program Sponsor Fee.
- **Consulting Solutions.** The Program Fee consists of the Introducing Firm Fee, Program Sponsor Fee, and the Investment Manager Fee.

Investment Manager Fees you pay range from an annual rate of 0.00% to 0.50% of Program account assets under management and vary by Investment Manager, Investment Strategy, and type of account.

We pay a portion of the Investment Manager Fee to each Investment Manager, which typically ranges from 0.00% to 0.50% of Program account assets. Such amount is determined by the specific Investment Strategies of each Investment Manager currently available in the Program, the services provided by each Investment Manager, the total assets managed by each Investment Manager, and fee negotiations with the Investment Manager, as generally set forth in an agreement between RBC CM and each such Investment Manager. In some cases, fees we pay to Investment Managers may be lower than the amount of the Investment Manager Fee you pay us. Additionally, we negotiate fee schedules with some Investment Managers, which reduce the effective fee rate we pay to Investment Managers as the total amount of Program assets allocated to those Investment Managers increases. Any difference in Investment Manager Fees charged

to clients and the percentage of such fees we ultimately pay to the Investment Managers are retained by us. Fees retained by us are not passed on to the Financial Professionals. The fees we pay Investment Managers may change from time to time without notice to you and such change may impact the total Program Fee we charge you. If we negotiate a lower Investment Manager Fee for the Investment Strategy of an Investment Manager in which your Program account is invested, we may similarly decrease the Investment Manager Fee you pay us as part of the Program Fee. If we renegotiate an existing Investment Manager's current fee rate, we will notify affected clients of any increase to the Investment Manager Fee.

- **RBC UP.** the Program Fee consists of the Introducing Firm Fee, the Program Sponsor Fee, the Overlay Manager Fee and, as applicable, the Model Provider Fee.

When RBC CM acts as Overlay Manager, the Overlay Manager Fee is 0.05% and is in addition to the RBC CM Program Sponsor Fee paid to us.

When Envestnet acts as Overlay Manager, the Overlay Manager Fee is 0.10% and includes Envestnet's Tax Management and/or Screens services, if selected. As noted above in Item 4, the Overlay Manager Fee will be assessed on all assets in the account, regardless of whether Tax Management and/or Screens are applied to all or some of those assets.

When Envestnet is the Overlay Manager, we pay a portion of the Overlay Manager Fee to Envestnet that ranges from an annual rate of 0.00%-0.08% of account assets under management. We retain any difference between the Overlay Manager Fee of 0.10% that you pay and the portion of such fee we ultimately pay to Envestnet.

The Model Provider Fee component of the Program Fee varies by Model Provider, Model Portfolio and type of account (i.e., Retirement Accounts investing in affiliated Model Portfolios), and ranges from 0.00% to 0.65% annually of the market value of an account's assets allocated to a Model Portfolio, generally as set forth in a fee schedule that is part of an agreement between RBC CM and each Model Provider.

If more than one Model Portfolio is included in your RBC UP account, RBC CM employs a Sleeve-level billing methodology to calculate the amount of each Model Provider Fee. The amount will be determined by calculating the value invested in each Model Portfolio, or Sleeve, multiplied by the applicable Model Provider Fee for each Model Portfolio in your RBC UP account at the time of each billing event.

We pay each Model Provider a portion of the Model Provider Fee you pay to us. Any difference in the Overlay Manager Fee and/or the Model Provider Fee paid by clients and the percentage of such fees that we ultimately pay to the Overlay Manager and/or the Model Provider are retained by us.

### **Comparative Cost of the Programs**

Your Program Fee may be higher or lower than (i) the fees and commissions you would pay in a brokerage account; (ii) the fees other clients depending on considerations such as the size of your account the types of securities and services provided, and other relevant criteria; and (iii) the cost of similar services offered through other Introducing Firms or financial institutions.

### **Calculation of Program Fees; Valuation of Account Assets**

Typically, Program accounts are charged the Program Fee quarterly, in advance, based on the market value of the assets in a Program account, including securities, cash, money market funds, Cash Sweep Program balances, and/or Credit Interest Program balances as of the last business day of the preceding calendar quarter. We include the full market value of assets purchased on Margin in the calculation of your Program Fee. We do not reduce the market value of your account by your margin debit balance.

Securities traded on a national securities exchange will be valued at the last sale price on the exchange, or if there has been no sale that day, at the last known bid price within the past 45 days as provided by a third-party vendor. Securities that are traded over-the-counter and on a stock exchange will be valued according to the broadest and most representative market.

Securities for which market quotations are not readily available will be valued at the known current bid price within the past 45 days as provided by a third-party pricing vendor and believed by us to most nearly represent current market value. Other securities and all other assets will be valued as determined by an independent third-party retained by us or, if not available from a third-party, by a statement of valuation provided by the issuer of the security which will remain unchanged until another statement of valuation is received. Valuation will be reviewed on no less than an annual basis. Where fair value cannot be determined for certain securities and assets, no Program Fee will be charged by RBC CM on those securities and assets.

### **Funds**

To compute the value of assets held in a Program account, we value Fund shares at their respective net asset values as reported on the valuation date by each Fund.

## **Dividends**

In non-retirement accounts, if you have elected to automatically distribute accrued dividends, interest, capital gains, and return on capital payments from your account on a recurring basis, the proceeds of these payments will not be assessed a Program Fee from the date the dividends, interest, capital gains, and return on capital payments is paid to the date of distribution.

## **Deposits, Withdrawals and Changes**

Program Fees are prorated for any billing period that is less than a complete quarter. Deposits to or withdrawals from a Program account of cash and/or securities with a value equal to or greater than \$10,000 will be billed on a pro-rated basis. Increases or decreases of assets may be caused by deposits and/or withdrawals of cash and securities. Deposits and withdrawals on the same day will offset each other, and the net amount will be used to calculate on a daily basis an additional Program Fee or refund to your account.

In each case, the additional Program Fee or refund will be calculated based on the applicable fee rate times the amount of the increase or decrease, pro-rated based on the number of days from the date of the triggering event to the last day of the calendar quarter.

If there is any change in your Overlay Manager, Model Provider(s), Model Portfolios, Investment Manager, Investment Strategy or investment allocation in your account before the end of a quarter, we will use the market valuation from the date of the change to adjust only the portion(s) of the Program Fee (i.e. Overlay Manager Fee, Model Provider Fee, Investment Manager Fee) affected by such change on a pro-rated basis. At the time of such account change the market value of your account may be higher or lower than the market value of your account at the time your quarterly Program Fee was calculated. As a result, the prorated Model Provider Fee, Overlay Manager Fee, and/ or Investment Manager Fee portion of the Program Fee may be higher or lower than when originally calculated.

Each of Introducing Firm and RBC CM reserve the right to correct errors in calculations of Program Fees that were charged to you by debiting or crediting your account, as applicable, without prior notice to you. Additionally, RBC CM reserves the right to increase any components of the Program Fee upon thirty (30) days' advance written notice to you.

## **Fees Upon Termination**

You, Introducing Firm, or RBC CM can terminate your Program account in accordance with the notice and other provisions contained in the Advisory Agreement. If a Program account is terminated prior to the last day of the quarter, we will refund to you the prorated portion of the Program Fee you paid, calculated based upon the days remaining in the quarter. The termination of a Program account will terminate the Advisory Agreement for that account which will revert to a brokerage account, subject to all standard fees and commissions, and, where RBC CM was the Overlay Manager, we will no longer be acting as a fiduciary to you with respect to that account.

## **Payment of Program Fee**

The Program Fee will be deducted on a quarterly basis directly from your Program account unless you affirmatively elect, verbally or in writing, to be billed directly, or to have the Program Fee deducted from another account with your Introducing Firm for which RBC CM is custodian, provided that the account is not a custodial account (e.g., UGMA/UTMA account) or a Retirement Account, as permitted by applicable law.

If you have elected to be invoiced for the Program Fee and the Program Fee is not paid within sixty (60) days of the date of the invoice, RBC CM will instead debit your applicable Program account for the invoiced amount of the Program Fee due.

## **Offset of Certain Fees to Retirement Accounts**

With respect to Retirement Accounts in the Consulting Solutions and RBC UP Programs, if you hold RBC GAM-US Funds, including the RBC BlueBay Access Capital Community Investment Fund, or Funds subadvised by City National Rochdale, LLC ("CNR"), we will rebate the net management fee charged by the Fund company to you. For other affiliated Funds and/or Funds sub-advised by an affiliate (RBC GAM-US or CNR), the Program Sponsor Fee, payable to RBC CM, and when RBC CM acts as Overlay Manager in RBC UP, the Overlay Manager Fee component of the Program Fee, will not be assessed on the value of these Funds held in Consulting Solutions and RBC UP Retirement Accounts. Unless required by applicable law, the credit or offset does not apply to other Fund expenses such as transfer agency fees and shareholder servicing fees, or actual distribution, shareholder servicing and other fees paid to RBC CM and its affiliates. Additionally, RBC CM has a conflict of interest in offering and recommending proprietary and affiliated Funds in the Programs over non-proprietary and/or non-affiliated Funds because we and/or our affiliates receive the fees and expenses charged by such Funds rather than a non-affiliate. For more information see "Fees to RBC Affiliates" on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

## Comparing Costs

Your total cost for the services provided through a Program, if purchased separately, could be more or less than the costs of the Programs through RBC CM. Cost and other factors to consider may include: your ability and the costs to obtain the desired investment advisory services and investment/portfolio management services, including access to Investment Managers and their Investment Strategies, Model Providers and their Model Portfolios, Overlay Managers, etc., where applicable, reporting services comparable to those provided through the Programs, custodial services, and trading and execution costs (including Fund sales loads and principal mark-ups and mark-downs) to you.

When making cost comparisons, you should be aware that the combination of investment management, custodial, consulting, and brokerage services available through a Program may not be available separately or may require multiple accounts, documentation, and fees. In addition, certain Investment Managers, Overlay Managers, and/or Model Portfolios may not be available to clients outside of a Program either because of minimum account size requirements, fee schedules, geographic availability, or other factors.

When assessing the overall cost of a Program, you should also consider that a Program account with low trading volumes, high cash balances, and/or significant fixed income positions could receive similar services at a lower cost in a brokerage account. If a Program account is actively traded through the Introducing Firm and RBC CM, the Program Fee may be less expensive than separately paying investment management fees, consulting fees, and trading and execution costs. In addition, investments that have no upfront fees or commissions, such as no-load Funds, may be available to you outside of a Program account at no additional cost. As discussed below in Item 4 under “Fund Fees and Expenses,” fees charged in connection with certain investments in your Program account, such as management and other fees charged by Funds, are not included in the Program Fee and will result in higher total costs than if you invested in such securities outside of a Program account.

## Additional Fees and Expenses

The Program Fee (including all components described above) does not cover or include any of the following additional fees and expenses, where applicable:

- Account maintenance or other fees charged to you by your Introducing Firm;
- commissions, “mark-ups,” “mark-downs,” and dealer spreads, if any, (i) that RBC CM or its affiliates receive when acting as principal in certain transactions where permitted by law, rule, or regulation, or (ii) that other broker-dealers receive when acting as principal in certain transactions effected through RBC CM and/or its affiliates acting as agent, which is typically the case for dealer market transactions (e.g., fixed income, over-the-counter equity, and foreign exchange (“FX”) conversions in connection with purchases or sales of non-US dollar-denominated securities and with payments of principal and interest dividends on such securities);
- underwriting commissions, investment banking, and other fees where RBC CM is a member of an underwriting syndicate;
- certain other costs or charges that may be imposed by third parties (including, among other things, bid-ask spreads, odd-lot differentials, exchange fees, transfer taxes, foreign custody fees, supplemental transaction fees, regulatory fees and other fees or taxes that may be imposed by pursuant to law, rule, or regulation);
- RBC CM’s usual and customary transaction charges on the liquidation of investments deemed ineligible for the Programs;
- any contingent deferred sales charges assessed on the sale or liquidation of Fund shares;
- check reordering costs and fees;
- Fund fees and expenses as further described below under the “Fund Fees and Expenses” section;
- redemption charges imposed by certain Funds or alternative investments (see Fund prospectus or private placement memorandum (“PPM”), as applicable, for details);
- short-term trading charges for purchases and corresponding redemptions of certain Fund shares (see Fund prospectus for details) made within a short period of time;
- costs and expenses of UITs (e.g., organization costs, operating expenses, portfolio supervision, bookkeeping, trustee, and other administrative fees, etc.);
- fees and charges specific to annuities linked to your Program account, which may include but are not limited to, administrative and termination/distribution charges, mortality and expense risk charges, expenses for underlying investment options and optional rider/benefit fees;
- RBC Express Credit (margin) or RBC Credit Access Line (CAL) interest, or interest on other debit account balances;
- non-sponsored alternative investment processing and maintenance fees;
- safekeeping fees for physical securities;



- American Depositary Receipt (“ADR”) pass-through fees;
- additional costs incurred when purchasing foreign securities that are assessed by the foreign exchange, including, but not limited to, exchange fees, taxes, conversion fees and currency translation costs. For example, when “ordinary shares” are purchased on a foreign exchange (which may charge a fee or tax on the trade) and are converted to ADRs, the depository bank may charge a fee to convert the ordinary shares to ADRs and in doing so, there may be currency translation costs associated with the conversion;
- additional costs when investing in foreign securities and utilizing foreign tax relief and reclamation services;
- fees charged by RBC CM related to reporting and filing unrelated business taxable income in Retirement Accounts; and
- any fees/expenses associated with RBC Insured Deposits.

### **Fund Fees and Expenses**

Funds pay fees and expenses that are ultimately borne by clients (including, but not limited to, management fees, brokerage costs, administrative, and custody fees), as detailed in each Fund’s prospectus. Program clients that are holding or investing in Funds will pay two levels of investment advisory fees: 1) investment management fees charged by the Fund companies, and 2) Program Fees to your Introducing Firm, RBC CM as Program sponsor, the Investment Managers, the Model Providers, and/or the Overlay Manager. Some of the fees and expenses are paid to and, where permitted under applicable regulatory requirements, retained by us and/or the Introducing Firm for advisory and/or other services.

If you are holding or investing in Funds in a Program account, you should consider the following information as it pertains to transactions and fees in your account. RBC CM receives payments from certain Fund companies which are used in part to offset certain administrative and operational costs that RBC CM incurs in connection with providing certain sub-accounting and sub-transfer agent services in distributing Funds and which provide financial benefit to RBC CM (“**Operational Support**”). RBC CM also receives payments from certain Fund and insurance companies for general marketing and Financial Professional educational programs, to offset compliance and product management costs and to support client education programs and seminars (“**Marketing Support**”). For more information on Operational Support and Marketing Support, see “Material Relationships with Related Persons” in Item 9.

Funds eligible for the Programs will be subject to the Program Fee which could also subject you to a higher overall cost. Outside of the Cash Sweep Program, RBC CM may, without notice to you, convert Funds in your Program account to a lower cost share class of the same Fund offered by RBC CM or make changes to your investment model or allocation in the event a lower cost share class of the same Fund is or becomes available through RBC CM. However, if you purchased a Fund from RBC CM with an up-front sales charge, typically in a brokerage account outside of the Programs, and subsequently transfer such Fund shares into an advisory Program account, those Fund shares will not be subject to the Program Fee for two or more years from the date of initial purchase. Fund shares purchased at other financial institutions may be converted to the appropriate share class in a Program account and subject to the Program Fee immediately whether you paid an up-front sales charge or other compensation or not. RBC CM may also elect not to convert certain Fund shares if, for example, there is no equivalent share class available in the Programs, or such conversion could subject you to additional sales or other charges, or in certain other circumstances, as determined by us.

Additionally, if you have a systematic buy or sell transaction established for a Fund that is ineligible for the Program selected, the transaction may be rejected resulting in your trade(s) not being fulfilled.

Prior to enrolling in the Programs, you should review the costs and impact of converting your Fund share classes and discuss this with your Financial Professional. If you do not want your Funds converted, or your investment model/allocation updated, you should discuss leaving those holdings in, or transferring those holdings to a brokerage account, subject to customary commissions and transaction charges, with your Financial Professional.

Under certain circumstances, your account may be invested in a Fund share class with a 12b-1 fee. This fee, which is also known as a distribution fee, is an operational expense used to pay for marketing and distribution expenses and is therefore included in the Fund’s expense ratio. 12b-1 fees are part of the overall Fund expense ratio, which is paid by you through deduction of assets in the Fund’s daily net asset value calculation. 12b-1 fees may vary by share class, with certain share classes having lower or no 12b-1 fees. Typically, the 12b-1 fee is paid to the Introducing Firm as ongoing compensation for a period of time, as outlined in the applicable prospectus, creating an incentive for the Introducing Firm and/or the Financial Professional to recommend a Fund and a share class that pays a 12b-1 fee as opposed to a Fund or share class that does not. Excluding the Cash Sweep Program, RBC CM addresses this conflict of interest by (1) limiting offerings of share classes that pay a 12b-1 fee in the Programs, and (2) crediting any 12b-1 fees that RBC CM receive back to you rather than paying such fee to the Introducing Firm.

Funds and certain other investments will be accompanied by a prospectus or other offering document that contains important information about each such Fund, including investment objectives, risks, and applicable fees and expenses. Clients should read each Fund’s prospectus carefully and consider all the information in it before investing.

If, and to the extent that your account is invested in a Fund managed by an affiliate of ours, you will indirectly pay two levels of advisory and other fees to us in connection with such balances (i.e., the investment management fees charged by the Fund companies, and the Program Fee). We address this conflict through disclosure and by subjecting the affiliated Funds to the same selection and evaluation standards as non-affiliated Funds. Further, in Retirement Accounts, if you hold Funds subadvised by CNR, the management fee charged by the Fund company will be rebated to you. For other RBC CM affiliated Funds subadvised by CNR, the Program Sponsor Fee payable to RBC CM, and when RBC CM acts as the Overlay Manager in RBC UP, the Overlay Manager Fee component of the Program Fee, will not be assessed to the value of such Funds maintained in Retirement Accounts.

Additional information regarding Funds, including information on investment policies, fees, and expenses, is set forth in each Fund's current prospectus. You should read the Fund's prospectus carefully prior to selecting a Fund.

### ***Trading Away and Associated Costs***

We generally anticipate that most Investment Managers and the Overlay Managers will effect substantially all portfolio trades for Program accounts with or through us. This arrangement creates an incentive for us to make available Investment Managers or Model Providers with lower portfolio turnover rates. As noted, in some circumstances and with some strategies, Investment Managers can be expected to trade away from RBC CM with other broker/dealers. RBC CM makes information on Consulting Solutions Investment Managers' trading practices in this regard available via the "Investment Managers and Trading Practices" link at RBC CM's legal disclosure website, [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

If Investment Managers trade away from RBC CM with other broker/dealers, you should understand that commissions, mark-ups, spreads, and other transactional charges for such trades are charged to you by the executing broker/dealer (and passed along to you by RBC CM). Accordingly, the Program Fee you pay does not cover such costs charged by other broker/dealers; the Program Fee covers these costs only when the transactions are executed by RBC CM. The executing broker/dealers may net these commissions, mark-ups, spreads and other transactional charges into the overall purchase or sale price of the trades, and these commissions, mark-ups, spreads and other transactional charges are not delineated on your RBC CM trade confirmation, monthly transaction summary or statement. RBC CM does not restrict an Investment Manager's ability to trade away, as the responsibility to determine the suitability of trading away from RBC CM and for best execution is that of the Investment Manager.

RBC CM does not evaluate whether an Investment Manager is meeting its best execution obligations when trading away. You should understand that RBC CM is not a party to transactions that are not executed through or with us, and therefore, we are not able to negotiate the price or transaction related charge(s) with the executing broker/dealer. While the costs associated with equity trades done away are typically in the form of commissions and other transactional charges that are disclosed and accessible to RBC CM, the additional costs associated with fixed income trades are not identified separately because they are incorporated into the net price of the trade. Additional information on trade away practices of Investment Managers in Consulting Solutions is available via at: [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

Note, before selecting an Investment Manager for any Program described in this brochure, you should carefully review all material related to that Investment Manager, including any disclosure on whether the Investment Manager uses broker-dealers other than RBC CM to effect any trades and any additional trading costs (brokerage commissions or other charges) associated with executing trades with such other broker-dealers. You should consider this information (i.e., an Investment Manager's trading practices and any associated additional costs and expenses), when assessing the overall costs of a Program and a particular Investment Manager and/or Investment Strategy.

### ***Foreign Tax Relief and Reclamation Services***

For clients that invest in international securities, we utilize a third-party vendor that provides foreign tax relief and reclamation services on behalf of clients. For more information, please see "Foreign Tax Relief and Reclamation Overview" on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

### ***Tax Considerations***

The payment of the Program Fee as described above may produce income tax results different from those resulting from the payment of brokerage commissions or other transactional charges on a per trade basis. If you are not a tax-exempt entity, the sale, redemption, or exchange of investments may result in taxable gains or losses. Further, it is your responsibility to ensure that the payment method selected, and subsequent treatment of the related expenses, complies with applicable tax laws and other regulations. In addition, careful consideration should be given prior to purchasing investments or selecting strategies that may utilize "tax-advantaged" investments in certain qualified accounts. This may result in no additional tax benefits at the expense of performance. Neither RBC CM, nor its affiliates provide legal, accounting or tax advice. All legal, accounting or tax decisions regarding your accounts and any transactions or investments entered into in relation to such accounts, should be made in consultation with your independent advisors. No information, including but not limited to written materials, provided by RBC CM should be construed as legal, accounting or tax advice.

## Compensation to Financial Professionals

### *Advisory Fees*

Your Introducing Firm may pay a portion of the Program Fee to your Financial Professional. For information on how your Introducing Firm compensates its Financial Professionals, please see your Introducing Firm's ADV brochure other similar disclosure documents or contact your Financial Professional.

Introducing Firms and their Financial Professionals are compensated based on the market value of billable assets in the account. In certain instances, your account may contain assets that are not included in the billable value of the account. Therefore, this is a conflict of interest as your Introducing Firm may have a financial incentive to sell these assets and purchase assets that would be included in the billable value of the account and directly impact compensation.

### *Securities-Based Lending*

Through Lending Programs (i.e., RBC Express Credit or RBC Credit Access Line), RBC CM and the Introducing Firm receive additional compensation based on the amount of loan balance outstanding. This additional compensation presents a conflict of interest for us because it creates an incentive for us to make affiliated Lending Programs available to you in the Programs. We and your Financial Professional are further incented to recommend the Lending Programs to you to the extent it encourages you to not liquidate certain securities and assets. This is a conflict of interest, as we and your Financial Professional have a financial incentive to avoid recommending that you liquidate assets under management because the Program Fee is based on assets under management. These conflicts of interest are addressed by appropriate disclosure.

## ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

To open an account in any of the Programs and receive the investment advisory and other related services described in this brochure, you must enter into the Advisory Agreement with your Introducing Firm and RBC CM. The Advisory Agreement expressly acknowledges the parameters of our investment advisory relationship with you, describes the services we will provide to you, and details the terms and conditions of the Program. The Advisory Agreement governs the terms of your existing and future Program accounts and relationships with your Introducing Firm and RBC CM.

Each of the Programs generally require a certain minimum amount of assets to open an account in that Program. However, RBC CM has the discretion to accept accounts that are below the Program minimums. Under certain circumstances, account minimums may be higher based on factors that include, but are not limited to, the services we provide or the Investment Strategy selected by a client and employed by the Investment Manager. RBC CM reserves the right to terminate a Program account if the account assets fall below the Program minimums set forth below.

- ***RBC Advisor***: \$25,000.
- ***RBC UP***: Depending on services and Investment Products selected, minimums will be applied and range between \$2,500-\$200,000.
- ***Consulting Solutions***: \$100,000-\$600,000 for equity strategies; \$100,000-\$300,000 for fixed income strategies, subject to minimum account requirements imposed by the applicable Investment Manager.

RBC CM provides investment advisory services to individuals, foundations, endowments, employee benefit plans, trusts, estates, educational institutions, corporations, businesses, government entities and other entities. The Programs are generally available for both non-retirement and Retirement Accounts, including IRAs.

## ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

### **Selection of Investment Managers and Model Providers**

We have certain standards of eligibility for Investment Managers, Model Providers and Overlay Managers in the Consulting Solutions and RBC UP Programs. In RBC UP and Consulting Solutions we consider and select only Investment Managers and Model Providers that meet our eligibility requirements. In identifying and choosing Investment Managers and Model Providers, we evaluate the financial and organizational stability of the firm and product, historical performance results, experience, and other factors. Based on the evaluation, Investment Managers and Model Providers are categorized by their respective investment styles. Each Investment Strategy added to the RBC UP and/or Consulting Solutions Programs are further categorized by the level of conviction RBC CM has in the Investment Manager and/or Model Provider and their respective Investment Strategy. Information that we gather regarding Investment Managers and Model Providers is believed to be reliable and accurate, but we do not independently verify it. We conduct periodic reviews of Envestnet and our own Overlay Manager function to evaluate adherence to Model Portfolios and investment allocations selected by you.

As described above in Item 4, you will establish an Advisory Risk Profile for your Program account. For Programs in which you select an Investment Manager(s) or Model Provider(s), your Financial Professional will consult with you regarding investment alternatives consistent with your Advisory Risk Profile. You then choose one or more Investment Managers or Model Providers.

When required to do so by law or as otherwise agreed to with the Investment Manager, we will provide you with a copy of each Investment Manager's and/or the Overlay Manager's written disclosure statement (Part 2A of its Form ADV or other comparable document) at the time of Program enrollment.

## Monitoring and Review of Investment Managers and Model Providers

On a quarterly basis, we monitor and review the Model Providers we make available in RBC UP and the Investment Managers we make available in Consulting Solutions in order to determine whether they continue to meet the standards and requirements of RBC CM. The evaluation may involve, among other things, investment discipline and trends in investment philosophies. Comparisons are made to other accounts and to standard industry market statistics.

The level of review applied by GMR to each Investment Strategy depends on RBC CM's conviction in the Investment Manager and Model Provider and their Investment Strategy. For the highest conviction Investment Strategies, this review is based on both the investment style descriptions offered by the Investment Managers and Model Providers (qualitative factors) and analysis performed by GMR (quantitative factors). GMR's ratings and opinions for the highest convictions strategies are available to Introducing Firms. These ratings and opinions are updated annually or more frequently, as needed.

Investment Strategies not deemed highest conviction are reviewed quarterly based primarily on quantitative factors.

A quantitative score ("**Score**") is assigned to each Investment Strategy based on multiple factors related to the firm and product, investment professionals, investment approach and performance and weights assigned to the individual factors selected. Investment Strategies not deemed highest conviction must meet these predefined Scores to be added and maintained in RBC UP and Consulting Solutions. If a Score cannot be calculated, the same factors are reviewed manually, instead of systematically, until a Score can be calculated. For cases where a Score is not able to be produced, GMR will continue to qualitatively monitor the Investment Strategies and provide annual updates as needed to the RBC CM Managed Account Investment Committee. Scores are not assigned to the RBC CM Portfolio Advisory Group ("**PAG**") Model Portfolios. The PAG Model Portfolios are reviewed quarterly by an internal oversight committee. This committee, which is led by GMR, reviews each PAG Model Portfolio to determine if it continues to align with its stated investment objective.

Through our monitoring process, the level of conviction in an Investment Strategy may change and therefore the level of review applied to each Investment Strategy may change from time to time. If you would like information regarding RBC CM's conviction in an Investment Strategy you are considering or are already invested in, please contact your Financial Professional. The level of conviction in an Investment Strategy is not indicative of the quality of the Investment Strategy nor is it a basis for how the Program Fee is determined.

### Watch List

As part of our Investment Manager/Model Provider monitoring process, RBC CM maintains a watch list of Investment Managers and Model Providers for which there may be developments of potential concern. Such developments may include the Investment Managers' or Model Providers' adherence to management style, consistency with client objectives, unexplained poor performance, or other matters that come to our attention. The watch list provides us with the means to review and communicate developments related to Investment Managers and Model Providers in RBC UP and Consulting Solutions. Placement of Investment Managers and Model Providers on the watch list initiates a probationary period that allows us adequate time to better assess the effects — negative or positive — stemming from the developments in question.

### Performance

- **Investment Manager and Model Provider.** For all third-party and affiliated Investment Strategies available in Consulting Solutions and RBC UP, we make product profiles available to Financial Professionals to provide to you. These product profiles include the Investment Manager's or Model Provider's reported performance and generally present 10 years of an Investment Strategy's performance history.

Your Financial Professional may provide you with information to allow you to compare this Investment Manager or Model Provider performance data with your account and/or Sleeve performance.

- **Fund Performance.** We utilize the Fund's published performance for review purposes.
- **Portfolio Advisory Group (PAG).** We create performance composites for each PAG Model Portfolio. These composites are comprised of the RBC UP Sleeves invested in each Model Portfolio.

We make product profiles for each PAG Model Portfolio available to Financial Professionals to provide to you. These product profiles include our calculated composite performance. Your Financial Professional may provide you with information to allow you to compare this PAG performance data with your account and/or Sleeve performance.

## Removal of an Investment Manager, Model Provider, or Fund

Upon written notice to affected clients, we may remove a Model Provider from RBC UP or an Investment Manager from Consulting Solutions if our rating and opinion of the Investment Manager or Model Provider is materially changed. This is most commonly a result of fundamental developments that are determined to be detrimental to the potential longer-term success of the Model Provider, Investment Manager, or underlying investment strategy (e.g., departure of key personnel, performance, etc.). In such event, we will promptly notify your Introducing Firm, which will in turn consult with you to reallocate applicable account assets to a new Model Provider or Investment Manager.

In the event RBC CM removes an Investment Manager from the Consulting Solutions Program, and you do not reallocate applicable account assets prior to the termination of the Investment Manager, we may terminate your Program account.

In RBC UP, when RBC CM removes a Model Provider selected by you, if you do not select a new Model Provider before the removal date, we will move your assets to an available Model Portfolio of another Model Provider which we deem, in our sole discretion, to be consistent with the Model Portfolio/Model Provider that is no longer available. If an appropriate Model Portfolio is not available, we will move your assets to an appropriate Fund.

In RBC UP, we will provide information to your Introducing Firm regarding a Fund that is no longer eligible for the Program. Your Financial Professional will work with you to select a suitable replacement investment.

In RBC UP, we may change the Overlay Managers upon advance written notice to the affected clients.

## Related Persons as Investment Manager, Model Provider, and/or Overlay Manager, and Associated Conflicts of Interest

If you invest in certain Programs described in this brochure, your account may be managed by an Investment Manager that is an affiliate of ours (also referred to as a related person), or that is a client of an affiliate of ours. In addition, we, or our affiliates (or clients of our affiliates) may act as Model Providers. Related persons or their clients acting as Investment Managers or Model Providers are subject to the same eligibility, review, and removal procedures as non-affiliated Investment Managers and Model Providers, as described above. When related persons or their clients act as Investment Managers or Model Providers for Program clients, certain conflicts of interest exist (see Item 9, Material Relationships with Related Persons for more information on conflicts of interest).

In some cases, the same Investment Strategies are available in both Consulting Solutions and RBC UP. However, the fees associated with these Investment Strategies may differ, depending on the Program. Generally, the fee rates for Investment Strategies available in both Consulting Solutions and RBC UP are lower in RBC UP than Consulting Solutions due to the services provided in each Program. Consulting Solutions client accounts are separately managed to an Investment Strategy by one or more professional Investment Managers participating in the Program (i.e., the Investment Manager trades in client accounts on a discretionary basis). Alternatively, RBC UP client accounts are professionally managed by us or Envestnet as Overlay Manager, in accordance with Model Portfolios provided by Model Providers or us (i.e., the Overlay Manager trades in client accounts on a discretionary basis to implement Model Portfolios of Model Providers who do not act with discretion). RBC UP accounts may include allocations to the same Investment Strategies available in Consulting Solutions. When we act as Overlay Manager, we retain 0.05% of the Program Fee which gives us an incentive to promote RBC UP over Consulting Solutions. Any difference in fees paid by you and fees we pay to Investment Managers, Model Providers or the Overlay Managers are either paid by us or retained by us. When fees are retained by us, we do not pay any part of the retained fees to Introducing Firms. Therefore, Financial Professionals do not have a direct financial incentive to recommend using Investment Strategies in one Program over the other. However, in Consulting Solutions, RBC CM does, in certain instances, retain a larger portion of the Investment Manager Fee we pay to Investment Managers than the portion of the Model Provider Fee or the Overlay Manager Fee that we pay to Model Providers and Overlay Managers.

RBC Affiliate Banks and the Branch will receive additional economic benefits, in addition to the Program Fee, from cash swept into RBC Insured Deposits. This conflict of interest is greater when higher cash balances are maintained in your account. At times, however, your Financial Professional and/or the Investment Manager(s) or Model Provider(s) may believe that it is in your best interest to maintain assets in cash, particularly for defensive purposes in volatile markets. We address these conflicts of interest through proper disclosure and by also offering in RBC Insured Deposits the ability to opt-out of having your deposits maintained at Affiliate Banks for non-retirement accounts.

Additionally, our Cash Sweep Program creates a conflict of interest for us because we have an incentive for you to maintain and direct otherwise uninvested cash in your account to deposits of our Affiliate Banks, where they can use such deposits to generate additional revenue. We also receive revenue for your cash deposits directed to third-party banks or our Affiliates through our Cash Sweep Program. This creates an incentive for us to recommend or direct investments that result in cash being invested through our Cash Sweep Program. By being designated as the Primary Excess Bank in the RBC Insured Deposits program, CNB will receive substantial additional deposits to use in its business to increase its profitability. CNB earns revenue on the difference between the interest paid and other costs it incurs on deposits, and the interest or other income it earns on using deposits for loans, investments, and other assets. Please see the Cash Management section of our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

In the Programs, you may be able to invest in Funds as well as certain other investment products affiliated with RBC CM. Certain conflicts of interest among the issuer, Fund, the Fund manager, and/or the broker or agent may exist as described in the PPM or prospectus. Where we are affiliated, through common ownership and control by the RBC, with a Fund, Fund manager, issuer or agent, we have an incentive to make our proprietary or affiliated product available over an unaffiliated product, such that the fees and expenses charged by the Fund, Fund manager, issuer or agent are earned by us or our affiliate, rather than a non-affiliate.

You may invest in an Investment Manager and/or Model Provider affiliated with RBC CM. We have an incentive to make our affiliated Investment Managers and Model Providers available because RBC CM and its affiliates receive greater revenue.

#### **RBC GAM-US**

RBC GAM-US acts as an Investment Manager in Consulting Solutions and as a Model Provider in RBC UP. This is a conflict of interest as we are incented to make RBC GAM-US available as a Model Provider and Investment Manager over non-affiliates. This conflict of interest is addressed by proper disclosure. If you select RBC GAM-US as your Investment Manager in Consulting Solutions, or as your Model Provider in RBC UP, RBC GAM-US and RBC CM will each collect separate advisory fees.

#### **RBC Global Asset Management (UK) Limited**

RBC Global Asset Management (UK) Limited (“GAM UK”) acts as a Model Provider in RBC UP. This is a conflict of interest as we are incented to recommend GAM UK over non-affiliates. This conflict of interest is addressed by proper disclosure. If you select GAM UK as your Model Provider in RBC UP, GAM UK and RBC CM will each collect separate advisory fees.

### **RBC CM Acting as Portfolio Manager**

As discussed above in Item 4, RBC CM acts as the Overlay Manager in RBC UP. Our participation in a Program creates an incentive for us to make such Program available where we are the Portfolio Manager over other qualified and suitable Portfolio Managers.

Where RBC CM serves as the Overlay Manager in RBC UP, we charge and retain the Overlay Manager Fee, which is a portion of the Program Fee you pay. You do not pay more for selecting us as the Overlay Manager, however, we do retain additional compensation when we are selected over another qualified and suitable unaffiliated Investment Manager or Overlay Manager.

PAG provides timely, independent information to our Financial Professionals and their clients by independently analyzing research from its research providers. The research that is produced by PAG is intended to provide a broad and extensive array of fundamental research in the marketplace by focusing on key analysts, recommendations, and trends within their research sources, including those of RBC CM as well as through nationally recognized correspondents. PAG has also created equity portfolios for use by your Financial Professional and their clients. In the RBC UP program, these portfolios are available in the form of Model Portfolios. In the RBC Advisor program, Financial Professionals may implement these portfolios in part or in full in client accounts. PAG does not receive compensation for providing these models to us or Financial Professionals. PAG has also created fixed income portfolios. These portfolios are available as Model Portfolios in the RBC UP program. PAG does not receive compensation for providing these models to us.

While the research conducted in creating Model Portfolios is independent, RBC CM has a conflict of interest because we have an incentive to use certain Funds in a model and 1) receive additional compensation from the investments made in certain Funds and/or 2) use Funds managed by an affiliate of RBC CM. We mitigate this conflict of interest by disclosure and subjecting the Model Portfolios created by PAG to review by an RBC CM internal oversight committee on a regular basis, consistent with performance standards employed when reviewing unaffiliated Investment Managers and Model Providers.

#### **Performance-Based Fees and Side by Side Management**

RBC CM does not charge performance-based fees in the Programs.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

#### ***Methods of Analysis and Investment Strategies***

The methods of analysis used and Investment Strategies available in each Program are described above in the “Services, Fees and Compensation” and the “Portfolio Manager Selection and Evaluation” sections. We obtain information from various sources, including: financial publications; company press releases and securities filings; research and due diligence material prepared by RBC CM, our affiliates and third parties; rating or timing services; regulatory and self-regulatory reports; third-party data; and research providers, professionals and other public sources. Financial Professionals may use research, model portfolios and asset allocation recommendations provided by RBC CM, RBC CM affiliates and third parties to make recommendations to you.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. There is no guarantee of performance for any investment strategy implemented or recommended by your Financial Professional, and the value of a client's investments will fluctuate due to market conditions and other factors. Investments are subject to various risks, including, but not limited to, market, liquidity, currency, economic, and political risk, and will not necessarily be profitable. Past performance does not predict or guarantee any level of future performance.

For the strategies used in the Programs, equities, Funds, options, and fixed income securities are the primary investments. Below are certain material risk factors associated with the Programs and the strategies utilized in the Programs. There are certain other risk factors described throughout this brochure. For more details on material risk factors associated with Investment Managers and their Investment Strategies, Model Portfolios of Model Providers, and/or the services of the Overlay Manager in applicable Programs, please refer to each Investment Manager's, Model Provider's, and/or the Overlay Manager's Form ADV Part 2A brochure and/or other similar disclosure documents. In addition, always read the prospectus or other offering documents for a full description of risks associated with the particular investment. You are urged to consult with your Financial Professional to discuss the risks associated with any investment strategy, particular investments, and securities, and/or transactions recommended or effected in your Program account(s). Some of the material risks are as follows:

- **Market Risk**. The value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting certain industries and/or securities markets generally.
- **Interest Rate Risk**. Fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Economic Conditions Risk**. The economic, political, or financial developments will, from time to time, result in periods of volatility or other adverse effects that could negatively impact your account.
- **Credit Risk**. Investors could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Liquidity Risk**. Investors would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than securities traded on exchanges, fixed income securities or Funds.
- **Risks Relating to Equities**. The price may rise or fall, sometimes rapidly or unpredictably, because of changes in a company's financial condition. These price movements can result from economic changes or macro factors such as the economic performance of a particular country, interest rate movements, and international developments. Sector or industry developments as well as changes in government regulations may affect equity prices.
- **Risk Relating to Debt Securities**. Debt securities, such as bonds, involve interest rate risk, credit risk, extension risk, prepayment risk, and other types of risks. In addition, the value of debt securities may fluctuate in response to market movements or issues that affect particular industries or issuers. When interest rates fall, the issuers of debt securities may prepay principal more quickly than expected, and investors may have to reinvest the proceeds at a lower interest rate. This is known as "prepayment risk." When interest rates rise, debt securities may be repaid more slowly than expected, and the value of the debt security can fall sharply. This is known as "extension risk." Certain types of debt securities may be subject to "call and redemption risk," which is the risk that the issuer may call a bond for redemption before it matures, and the investor may lose income.
- **Risks Relating to Specific Styles**. Different types of stocks tend to shift in and out of favor depending on market and economic conditions. To the extent a portfolio emphasizes a value or growth style of investing, a portfolio runs the risk that undervalued companies' valuations will never improve or that growth companies may be more volatile than other types of investments, respectively.
- **Risks Relating to Securities-Based Lending**. Certain Program accounts may be eligible for Margin or other types of securities-based lending as part of RBC CM's brokerage services. The extension of credit may be obtained through Lending Programs, as described above. Prior to enrollment in such Lending Programs, you should carefully review that Lending Program's agreement and disclosure document and understand the risks associated with leveraging your account. You must carefully consider:
  - Whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly greater than if you decide not to invest with borrowed funds (i.e., not to use leverage). Leveraging your account may increase your risks and make your investment objectives more difficult to realize you may lose more than your original investment;

- You will pay interest on the outstanding loan balance; thus, the use of leverage will increase your costs of investing;
- Since the Program Fee is calculated as a percentage of the net market value in a Program account, the use of Margin to purchase additional securities in a Program account will increase the net market value of the Program account by the value of such additional securities purchased with the proceeds of the Margin loan (and will not be offset by the amount of the client's Margin debit held in the account outside of the Program). This will result in a higher Program Fee that you pay to us and your Introducing Firm. This will result in additional compensation to RBC CM, Introducing Firm and, if applicable, its Financial Professionals;
- RBC CM, or a third-party lender, can force the sale of Program assets to satisfy collateral requirements without notice to you;
- Neither RBC CM nor our affiliates will act as an investment adviser to you with respect to the liquidations of securities held in a Program account to meet collateral requirements. These liquidations will be executed in our capacity as broker-dealer and creditor and may, as permitted by and in accordance with applicable laws, rules, and regulations, including the Advisers Act, result in executions on a principal basis in your account; and
- Under these circumstances, RBC CM cannot guarantee a favorable price on the sale of Program assets or that the liquidations align with your investment strategy or Advisory Risk Profile.

RBC CM is permitted to lend or utilize Margin securities in its possession and receives compensation in connection with the use of such securities. The costs associated with Lending Programs is not included in the Program Fee and will result in additional compensation to RBC CM and/or our affiliates, and Introducing Firm and, if applicable, its Financial Professionals. For more information, please see the "Margin Disclosure Statement" on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

- **Risks Relating to Money Market Funds**. An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there is no assurance that will occur, and it is possible to lose money if the fund value per share falls. Moreover, in some circumstances, money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. If this happens, the fund's holdings are liquidated and distributed to the fund's shareholders. This liquidation process is likely to take a month or more. During that time, these funds would not be available to you to support purchases, withdrawals and, if applicable, check writing or other money movement debits from your account.
- **Concentration Risk**. To the extent a client concentrates their investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- **Sector Risk**. To the extent a client account invests more heavily in particular sectors, industries, or sub sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub sectors. An individual sector, industry, or sub sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may not all react in the same way to economic, political, or regulatory events. A client account's performance could be affected if the sectors, industries, or sub sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- **Risks Relating to Foreign Securities and Emerging Markets**. Investments in securities of foreign issuers denominated in foreign currencies are subject to risks in addition to the risks of securities of U.S. issuers. These risks include political and economic risks, civil conflicts and war, greater volatility, expropriation and nationalization risks, sanctions or other measures by the United States or other governments, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, liquidity risks, and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets, which may have relatively unstable governments and less-established market economies than those of developed countries. Emerging markets may face greater social, economic, regulatory, and political uncertainties. These risks make emerging market securities more volatile and less liquid than securities issued in more developed countries. For more information, see the "Risks Related to Foreign Securities and Foreign Currencies section" in the Customer Account Agreement, available on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).
- **High Yield Securities Risk**. Certain strategies invest in securities and instruments that are issued by companies that are highly leveraged, less creditworthy, or financially distressed. These investments (known as junk bonds) are considered speculative and are subject to greater risk of loss, greater sensitivity to interest rate and economic changes, valuation difficulties, and potential illiquidity. For more information see the "High-Yield Securities Disclosure" on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).



- **Counterparty Risk.** An account may have exposure to the credit risk of counterparties with which it deals in connection with the investment of its assets, whether engaged in exchange traded or off-exchange transactions or through brokers, dealers, custodians, and exchanges through which it engages. In addition, many protections afforded to cleared transactions, such as the security afforded by transacting through a clearing house, might not be available in connection with over-the-counter (“OTC”) transactions. Therefore, in those instances in which an account enters into OTC transactions, the account will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and will sustain losses.
- **Derivatives Risk.** Certain strategies may use derivatives. Derivatives, including forward currency contracts, futures, options and commodity-linked derivatives and swaps, may be riskier than other types of investments because they may be more sensitive to changes in economic and market conditions, and could result in losses that significantly exceed the investor’s original investment in the derivative. Many derivatives create leverage thereby causing a portfolio to be more volatile than it would have been if it had not been exposed to such derivatives. Derivatives also expose a portfolio to counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations), including the credit risk of the derivative counterparty. Certain derivatives are synthetic instruments that attempt to replicate the performance of certain reference assets. With regard to such derivatives, an investor does not have a claim on the reference assets and is subject to enhanced counterparty risk. Derivatives may not perform as expected, so an investor may not realize the intended benefits. The possible lack of a liquid secondary market for derivatives and the resulting ability to sell or otherwise close a derivatives position could expose a portfolio to losses. Additionally, certain derivatives are subject to position limits imposed by regulators, and the investment adviser will not be able to obtain additional exposure if these limits are reached. When used for hedging, the change in value of a derivative may not correlate as expected with what is being hedged. In addition, given their complexity, derivatives expose an investor to risks of mispricing or improper valuation.

### **Voting Client Securities (Proxy Voting)**

In the Advisory Agreement, you indicate your proxy voting authority election for each Program account. If you designate “Client” to vote proxies, we will forward all proxy solicitation to you (or another third party designated by you) all proxy-related materials, annual and interim reports, and other issuer-related materials that RBC CM receives pertaining to the securities in your Program account(s). If you designate “Manager” to vote proxies, you authorize a third-party Investment Manager(s), Overlay Manager (i.e., Envestnet or RBC CM), if applicable, to vote proxies on your behalf. Your designation is only valid if accepted by that designee. If you designate “Manager” to vote proxies, we will not provide you with notice that we have received a proxy solicitation, nor will we or any third-party Investment Manager or proxy voting agent consult with you before casting a vote. In certain circumstances, based on the Program or Investment Manager selected by you, your proxy voting authority preference may not be available. If your preference is not available for the Program(s) in which you are enrolled, or the Investment Manager or Overlay Manager have elected to not vote client proxies, we will default your proxy voting authority to “Client” for that account. If you or RBC CM terminate a Program account, RBC CM will revert proxy voting authority to you or another third-party selected by you.

Except as provided below, RBC CM will not take any action regarding the voting of proxy solicitations related to securities held in your account(s). You may change your proxy voting election at any time upon written notice to your Financial Professional, in accordance with your Advisory Agreement. Investment Managers and the Overlay Managers retain the right to rescind their acceptance of the proxy authorization or start voting client proxies at any time. If an Investment Manager or the Overlay Manager elects to stop voting proxies, we will forward proxy voting materials to you (or a third-party agent designated by you), and if an Investment Manager or Overlay Manager elects to start voting proxies, we will send to them all proxy related materials and you will not receive them.

### **RBC Advisor**

In RBC Advisor, clients retain the right and authority to vote all proxies for securities. RBC CM does not have, and will not accept, authority to vote client securities held in RBC Advisor accounts. In the Advisory Agreement, if you designate “Manager” to vote proxies for any RBC Advisor account, we will default proxy voting authority to you, “Client”, and in accordance with applicable law, we will forward to you (or a third-party agent designated by you) all proxy-related materials, annual reports, and other issuer-related materials that RBC CM receives pertaining to the securities in your Program account(s).

### **RBC UP**

If you designate “Manager” to vote proxies for your account(s) in RBC UP, RBC CM or Envestnet as Overlay Manager will vote proxies on your behalf.

When we vote proxies, we have a fiduciary responsibility to vote proxies in a manner that we believe is consistent with your best interest and in accordance with the policies and procedures adopted by RBC CM. We have retained an independent third-party proxy voting agent (Institutional Shareholder Services (“ISS”)) to provide fundamental research and independent

voting recommendations based on its standard proxy voting guidelines, and to vote proxies in your account(s) on our behalf. The proxy voting guidelines set forth by ISS are reasonably designed to identify potential conflicts of interest when voting proxies on a client's behalf. The engagement of ISS as our agent is not intended to be a delegation of our proxy voting responsibilities and does not relieve us of any fiduciary obligations with respect to the voting of proxies.

While RBC CM uses its best efforts to vote proxies, there are instances when we do not vote proxies because voting is not practical or is not in the best interest of clients. For example, casting a vote on a foreign security may involve additional costs or may prevent, for a period of time, sales of shares that have been voted.

RBC CM has implemented policies reasonably designed to identify potential material conflicts of interest to help us vote proxies without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. These policies include:

- Causing the proxies to be delegated to an independent third party;
- Causing the independent third party to use predetermined voting guidelines;
- Causing proxies to be voted in accordance with recommendations of an independent third party.

You may contact your Financial Professional to request and obtain a copy of our proxy voting policies and procedures, ISS' standard proxy voting guidelines, and records of how RBC CM voted proxies with respect to securities held in your Program account(s).

### **Consulting Solutions**

If you designate "Manager" to vote proxies for your account(s) in Consulting Solution, such designation is subject to acceptance by the applicable Investment Manager. Pursuant to this designation, you (i) authorize the selected Investment Manager to receive the proxy-related materials, annual and interim reports, and other issuer-related materials for securities in your account(s), and (ii) delegate to the Investment Manager the proxy voting rights for those securities. If an Investment Manager has elected to not vote client proxies, you (or another third-party agent designated by you) will be responsible for voting proxies for the securities in your account(s).

### **Retirement Accounts**

With respect to retirement accounts subject to Title I of ERISA, we shall have no responsibility or authority to vote proxies on behalf of any such account. The right to direct the voting of proxies is reserved to a named fiduciary of the plan as selected by you.

Unless you indicate otherwise in the Advisory Agreement, RBC CM, your Introducing Firm, the Investment Manager(s) selected by you, and/or the Overlay Manager(s) are expressly precluded from voting proxies on behalf of any retirement account subject to Title I of ERISA (although we may, in our capacity as a broker, act pursuant to the instructions of a named plan fiduciary). We deem the authority to vote proxies as expressly reserved to a named plan fiduciary and therefore, we have no obligation and will not accept any authority to take action on your behalf with respect to any proxy-related material.

## **ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Except as otherwise agreed to in writing or as required or permitted by law, RBC CM will keep confidential all information concerning your identity, financial data, and investments. We share relevant client information with (1) the Investment Manager(s) and/or Overlay Manager(s) selected by you in order for such Investment Manager(s) and/or Overlay Manager(s) to adequately manage your Program account, and (2) certain companies that we or your selected Investment Manager(s) and/or Overlay Manager(s) partner with to service your Program account(s). Recommendations and advice given to you by your select Investment Manager(s) and/or Overlay Manager(s), as applicable, will be regarded as confidential among you and such Investment Manager(s) and/or Overlay Manager(s).

## **ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Introducing Firm, through RBC CM, shall serve as the liaison for communications between you and the Investment Managers and/or Overlay Managers selected by you. We do not restrict you from contacting and consulting with Introducing Firm or your Financial Professional.

Clients are encouraged to review the Form ADV Part 2A brochure(s) or other similar disclosure documents of any Investment Manager(s), the Overlay Manager (Envestnet), and/or Model Providers for information on whether they have any of their own restrictions on direct client communication.

## ITEM 9: ADDITIONAL INFORMATION

### Disciplinary Information

The following is a summary of certain adverse legal and disciplinary events and regulatory settlements during the last 10 years that may be material to your decision of whether to retain us for your investment advisory needs. You can find additional information regarding these settlements in Part 1 of our Form ADV at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

- On August 14, 2024, RBC CM entered into a settlement order with the SEC in connection with RBC CM's recordkeeping practices concerning business-related electronic communications sent or received by firm personnel using non-approved channels or methods ("off-channel communications"). The SEC found that from at least June 2019 to August 2024, RBC CM willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder in connection with RBC CM's failure to maintain and preserve the substantial majority of off-channel communications of its personnel that were records required to be maintained under Exchange Act Rule 17a-4(b)(4) and/or Advisers Act Rule 204-2(a)(7); and therefore, failed to reasonably supervise its personnel within the meaning of Section 15(b)(4)(E) of the Exchange Act and Section 203(e)(6) of the Advisers Act. RBC CM admitted to the facts in the settlement order and acknowledged its conduct violated the federal securities laws. The SEC ordered RBC CM to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and Section 204 of the Advisers Act and Rule 204-2 thereunder, censured it for its conduct, ordered it to pay a civil monetary penalty in the amount of \$45,000,000, and ordered it to comply with the undertakings enumerated in the settlement order.
- RBC CM consented to FINRA sanctions and findings that its supervisory system did not provide certain customers with mutual fund sales charge waivers and fee rebates to which they were entitled through rights of reinstatement offered by mutual fund companies, which resulted in the payment of \$264,939.44 in excess sales charges and fees by eligible customers. On July 2, 2024, RBC CM was censured, fined \$75,000 and required to certify that it had remediated the issues and implement reasonably designed supervisory system, including written supervisory procedures ("**WSPs**"). The firm also made full restitution, plus interest, to the affected customers.
- RBC CM consented to FINRA sanctions and findings that it sent trade confirmations to customers that contained inaccurate information. The findings stated that the firm sent its institutional customers confirmations for fixed income transactions, including certain municipal securities transactions, that inaccurately stated that the transactions were executed in an agency capacity, when they were executed in a principal capacity. The firm also sent its institutional customers trade confirmations that inaccurately stated that certain transactions that were solicited were unsolicited and vice versa. In addition, the firm failed to deliver trade confirmations to customers that had requested electronic delivery of trade confirmations and failed to send trade confirmations for millions of dividend reinvestment program ("**DRIP**") transactions. The findings also stated that the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with trade confirmation requirements. The findings also included that the firm violated Regulation T promulgated by the board of governors of the federal reserve system under Section 7 of the Exchange Act by extending credit to certain customers of the firm and its introducing firms, which resulted in hundreds of incorrectly executed trades in those accounts and the frequent selling of the positions at issue to generate proceeds to cover the purchases. In connection with these transactions, customer accounts incurred commissions, markups, markdowns, and fees totaling \$392,525.50, that they would not otherwise have incurred had the firm cancelled the trades. In addition, introducing firm customer accounts incurred \$1,308 in fees in connection with these trades that they would not have incurred had the firm cancelled the trades. On April 29, 2024, RBC CM was censured, fined \$375,000, ordered to pay \$393,833.50 in restitution to customers, and required to certify that it has remediated the issues and implemented a supervisory system, including WSPs.
- On November 2, 2023, RBC CM entered into a settlement with the SEC resulting in the SEC issuing an order (the "**Order**"). RBC CM consented to the entry of the Order that found that RBC CM failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected the transactions and dispositions of the assets of the issuer, and failed to devise and maintain a system of internal account controls sufficient to provide reasonable assurance that transactions are recorded to permit preparation of financial statements in conformity with generally accepted accounting principles. The Order directs that RBC CM cease-and-desist from committing or causing any violations and any future violations of Sections 13(B)(2)(A) and 13(B)(2)(B) of the Exchange Act. On November 2, 2023, without admitting or denying the findings, RBC CM consented to the Order and was fined \$6,000,000.
- In May 2023, RBC CM entered into a settlement with the Commonwealth of Virginia's State Corporation Commission's Division of Securities and Retail Franchising (the "**Division**") regarding allegations that it employed an investment adviser representative in the Commonwealth of Virginia without that person being duly registered with the Division, in violation of § 13.1-504 c (ii) of the Virginia Securities Act. RBC CM agreed to pay a \$10,000 monetary penalty and \$1,000 for the cost of the investigation.

- In April 2023, without admitting or denying the findings, RBC CM reached a settlement with FINRA and consented to sanctions and the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to achieve compliance with its suitability obligations in connection with syndicate preferred stock in brokerage accounts. The findings stated that while the firm's procedures called for supervisors to closely examine representatives' short-term trading of preferred stocks, the firm's electronic surveillance of short-term trading in preferred stock was unreasonably designed, and it failed to monitor for that activity. Although the surveillance system had certain alerts that specifically monitored for short-term trading in other products, such as closed-end funds, it did not have any alerts that specifically monitored for short-term trading in preferred stock. The firm also did not have any other alerts that flagged the purchase and sale within 180 days of syndicate preferred stock. Certain of the firm's registered representatives recommended that a number of the firm's retail customers purchase syndicate preferred stocks, and then sold the positions within 180 days, and such customers sustained losses on these transactions. The firm earned \$653,313 in selling concessions from these syndicate purchases and \$128,643 in sales commissions from the subsequent sales. The firm conducted a substantial syndicate preferred stock business yet did not maintain a reasonable supervisory system to monitor whether its representatives recommended short-term trading of syndicate preferred securities that was unsuitable, including for the purpose of capturing sales concessions and commissions. The firm was censured, fined \$300,000, ordered to pay \$128,643.17, plus interest, in restitution to customers, ordered to pay \$653,312.83, plus interest, in disgorgement, and required to certify that it has remediated the issues identified in this AWC and implemented a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 3110 regarding the issues identified in this AWC.
- On March 3, 2022, RBC CM affiliate and registered investment adviser, CNR, reached a settlement with the SEC concerning CNR's breach of its fiduciary duty relating to the use of proprietary Funds and certain share classes in advisory accounts. Those Funds generated fees for CNR and its affiliates, rather than competitor funds within the same asset classes that may not have generated such fees, and created a conflict that was not disclosed. The SEC determined that CNR willfully violated sections 206(2) and 206(4) of the Advisers Act as well as Rule 206(4)-7 by failing to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act. Under the terms of the settlement, CNR paid \$30,361,804 in fines, disgorgement, and interest.
- Without admitting or denying the findings, RBC CM consented to the sanctions and to the entry of findings that it failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA and Municipal Securities Rulemaking Board ("MSRB") rules with respect to representatives' recommendations of high-yield corporate and municipal bonds. The findings stated that the firm's policies and procedures did not sufficiently address the suitability factors that representatives should consider before recommending high-yield bonds. On December 15, 2021, RBC CM was censured, fined \$550,000, and ordered to pay \$456,155, plus interest, in restitution to customers.
- On September 17, 2021, RBC CM entered into a settlement with the SEC resulting in the SEC issuing an order (the "Order"). RBC CM consented to the entry of the Order which found that from 2014-2017, RBC CM engaged in improper conduct in connection with the allocation, purchase, and sale of certain new issue municipal bond offerings in violation of internal procedures, as well as MSRB and SEC rules. The Order found that RBC CM's conduct violated MSRB and SEC rules. The Order censured RBC CM and required RBC CM to pay disgorgement of \$552,440, prejudgment interest of \$160,886.97, and \$150,000 as a civil penalty to the SEC. Such payments were made by RBC CM on September 22, 2021.
- The Virginia State Corporation Commission found that, from December 1, 2017, through November 27, 2020, RBC CM employed an investment adviser representative ("IAR") who was registered in the District of Columbia but not Virginia and that RBC CM failed to enforce its written supervisory procedures regarding IAR registration. On September 8, 2021, RBC CM executed the settlement order which states that RBC CM neither admits nor denies the Virginia state corporation commission's allegations and paid a \$10,000 civil penalty.
- It was found by the NYSE that RBC CM violated NYSE Rule 3110(a) and (b) (Supervision) by failing to establish and maintain a supervisory system and WSPs reasonably designed to detect and prevent errors in market on close orders. On July 6, 2021, RBC CM entered into a letter of acceptance, waiver and consent with the NYSE under which RBC CM consented to the sanctions and was censured and fined \$10,000.
- It was found that RBC CM violated SEC Rule 15c3-5(b) and (c)(1)(ii) and Rules 3.2 and 5.1 of the CBOE BZX Exchange, Inc., CBOE EDGA Exchange, Inc., CBOE BYX Exchange, Inc., and CBOE EDGX Exchange, Inc. due to the fact that the Firm's financial risk management controls and supervisory procedures were not reasonably designed to (i) prevent the entry of erroneous orders, (ii) reject orders that exceed appropriate price or size parameters, on an order-by-order basis or over a short period of time, or (iii) reject duplicative orders. On March 30, 2021, without admitting or denying the findings, RBC CM was censured and fined \$45,000 by CBOE BZX Exchange, Inc., \$45,000 by CBOE EDGA Exchange, Inc., \$70,000 by CBOE BYX Exchange, Inc. and \$45,000 by CBOE EDGX Exchange, Inc.

- The Massachusetts Securities Division found that RBC CM failed to adequately supervise its representatives with respect to concentration and suitability of master limited partnership energy and telecom positions in certain client accounts. On February 2, 2021, without admitting to any supervisory deficiencies, RBC CM agreed to the described sanctions and fines totaling \$320,267.41.
- Without admitting or denying the findings, on December 15, 2020, RBC CM consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to supervise representatives' recommendations to customers to purchase particular share classes of 529 college savings plans. The findings stated that RBC CM did not provide adequate guidance to representatives regarding the importance of considering share class differences when recommending 529 plans and had no procedures requiring supervisors to review 529 plan share class recommendations for suitability. RBC CM updated its procedures to include such a requirement, but the updated procedures failed to adequately instruct supervisors to consider either the age of the beneficiary or the number of years until expected withdrawals, both critical factors in determining the suitability of the recommended share class. Also, RBC CM did not consistently provide supervisors with the information necessary to review the suitability of 529 plan share class recommendations. Later, RBC CM issued a company-wide compliance alert that provided guidance to representatives regarding 529 plan share class recommendations. RBC CM then updated its supervisory systems and procedures with respect to 529 share class recommendations. Among other things, RBC CM instructed supervisors to consider the age of the beneficiary when assessing the suitability of a representative's 529 share class recommendation. RBC CM has agreed to pay restitution and interest relating to the sale of class C shares to certain 529 plan customers in the estimated amount of \$839,803.
- The SEC found that from at least July 2012 through August 2017, RBC CM disadvantaged certain retirement plan and charitable organization brokerage customers who maintained accounts at RBC CM ("**Eligible Customers**") by failing to ascertain that they were eligible for a less expensive share class and recommending and selling them more expensive share classes in certain open-end Funds when less expensive share classes were available. RBC CM did so without disclosing that it would receive greater compensation from the Eligible Customers' purchases of the more expensive share classes. Eligible Customers did not have sufficient information to understand that RBC CM had a conflict of interest resulting from compensation it received for selling the more expensive share classes. Specifically, RBC CM recommended and sold these Eligible Customers class A shares with an up-front sales charge, or class B or class C shares with a back-end contingent deferred sales charge (a deferred sales charge the purchaser pays if the purchaser sells the shares during a specified time period following the purchase) and higher ongoing fees and expenses, when these Eligible Customers were eligible to purchase load-waived class A and/or no-load class R shares. RBC CM omitted material information concerning its compensation when it recommended the more expensive share classes. RBC CM also did not disclose that the purchase of the more expensive share classes would negatively impact the overall return on the Eligible Customers' investments, in light of the different fee structures for the different fund share classes. In making those recommendations of more expensive share classes while omitting material facts, RBC CM violated sections 17(a)(2) and 17(a)(3) of the Securities Act. These provisions prohibit, respectively, in the offer or sale of securities, obtaining money or property by means of an omission to state a material fact necessary to make statements made not misleading, and engaging in a course of business which operates as a fraud or deceit on the purchaser. As a result of the conduct described above, RBC CM willfully violated sections 17(a)(2) and 17(a)(3) of the Securities Act. On April 24, 2020, RBC CM was censured and paid disgorgement of \$2,607,676, prejudgment interest of \$631,331, plus a civil monetary penalty of \$650,000.
- Without admitting or denying the findings, RBC CM consented to the sanctions and the entry of findings that RBC CM entered 670 principal orders with incorrect origin codes, indicating that the orders were for customers instead of RBC CM. The findings state that RBC CM ignored red flags and failed to remedy the pattern of entering and executing orders with incorrect origin codes. In addition, for the calendar year 2018 RBC CM conducted 11 of 12 monthly origin code reviews late because RBC CM failed to enforce its procedures requiring timely origin code reviews. Between August 28, 2019, and October 2, 2019, RBC CM settled for a total of \$100,000 across eight exchanges (NASDAQ PHLX LLC \$7,138; NASDAQ Stock Markets/The NASDAQ Options Market \$5,687; CBOE BZX Exchange, Inc. \$28,271; NASDAQ ISE, LLC Fine \$6,721; NYSE American LLC \$4,098; NYSE ARCA, Inc. \$5,509; CBOE Exchange, Inc.: \$36,592; and CBOE C2 Exchange, Inc., \$5,984).
- FINRA found that from March 2008 to June 2016, RBC CM failed to make the statutorily required delivery of prospectuses to customers who purchased approximately 165,000 ETFs and notes and hundreds of thousands of open-end and closed-end mutual funds. RBC CM failed to design, implement, and enforce a reasonable supervisory system, procedures and set of controls to comply with prospectus delivery rules for Funds and as a result, failed to discover the delivery failures until FINRA's investigation into the matter. On October 17, 2019, RBC CM was censured and fined in the amount of \$2,900,000.
- RBC CM self-reported to the SEC the violations described below pursuant to the Division of Enforcement's Share Class Selection Disclosure Initiative ("**SCSD Initiative**"). The SEC found that RBC CM, during the period of January 1, 2014, through March 27, 2017, failed to make adequate disclosures, in its Form ADV or otherwise, regarding its Fund share class selection practices, and the 12b-1 fees it received, in connection with advisory account transactions. Specifically,

at times during the relevant period, RBC CM purchased, recommended, or held in advisory accounts Fund share classes that charged 12b-1 fees instead of lower cost share classes in the same fund. The SEC found that RBC CM failed to adequately disclose the receipt of the 12b-1 fees and the associated conflict of interest, thereby willfully violating Sections 206(2) and 207 of the Advisers Act. On March 11, 2019, without admitting or denying the findings, the SEC issued, and the firm consented to the entry of an order (the “**Order**”) that censured RBC CM and directs it to cease-and-desist from committing or causing any violations and any future violations of Sections 206(2) and 207 of the Advisers Act. Additionally, the Order requires Respondent to pay disgorgement of \$10,494,813.38, prejudgment interest of \$1,220,581.34, and to comply with the other undertakings enumerated in the Order as part of the settlement.

- FINRA found that RBC CM failed to identify and apply sales charge discounts to eligible customer transactions in UITs. This resulted in customers paying, in total, with respect to approximately 4,399 eligible transactions, excess sales charges in the amount of approximately \$502,088.88. In addition, it was found that RBC CM failed to effectively inform and train registered representatives and supervisors to ensure the proper procedures were followed and applicable sales charge discounts were applied. On April 4, 2016; RBC CM was censured and fined \$225,000 and ordered to pay \$502,088.88 plus interest in restitution to customers.
- The NYSE found that RBC CM violated NYSE rule 92(A) by entering a proprietary order on thirteen occasions to buy or sell an NYSE-listed security while knowingly was in possession of a customer order to buy or sell such security that could have been executed at the same price. This resulted in the proprietary order to be traded along with, or ahead of, the customer order or caused the customer’s order to be traded outside of their consent parameters. It was also found that on two occasions, the Firm violated NYSE Rule 2010 by failing to document customer consent to the allocation split as required by NYSE Rule 92(B). In addition, RBC CM was found to have violated NYSE Rule 342 by failing to reasonably supervise and implement adequate controls reasonably designed to achieve compliance with certain NYSE rules and policies. On August 28, 2015, RBC CM was censured and fined \$80,000.
- The SEC found that RBC CM violated Section 17(A)(2) of the Exchange Act by conducting inadequate due diligence in certain municipal securities offerings and, as a result, failed to form a reasonable basis as to the validity of certain material representations in official statements issued in connection with those offerings. On June 18, 2015, RBC CM was fined \$500,000 and ordered to retain an independent consultant to conduct a review of the policies and procedures relating to municipal securities underwriting due diligence.
- FINRA found that between 2008 and 2012, RBC CM violated NASD Rules 3010(A), 2310, 2110 and FINRA Rule 2010 by failing to have in place supervisory systems and procedures reasonably designed to ensure compliance with applicable laws and regulations and RBC CM’s own internal guidelines concerning suitability of reverse convertibles, a type of complex structured product. On April 23, 2015; RBC CM was censured and fined \$1,000,000 and ordered to pay \$433,898.10 plus interest in restitution to certain clients.

## **Other Financial Industry Activities and Affiliations**

### **Broker-Dealer Registrations**

RBC CM is registered with the SEC as a broker-dealer and investment adviser. Certain of RBC CM’s management personnel and all of its Financial Professionals and their supervisors are registered with FINRA as representatives of RBC CM in its capacity as a broker-dealer. Further, RBC CM is a member of the New York Stock Exchange (NYSE), the Financial Industry Regulatory Authority (FINRA), the Securities Investor Protection Corporation (SIPC), and several other exchanges and self-regulatory organizations.

### **Futures/Commodities-Related Registrations**

RBC CM is also registered with the Commodity Futures Trading Commission (“**CFTC**”) as a futures commission merchant and swap firm.

### **Material Relationships with Related Persons**

RBC Clearing and Custody provides clearing and custodial services on a fully disclosed basis to broker-dealers, including Introducing Firm, who are charged fees based on their use of these services. We, in our capacity as a securities broker-dealer, investment banker and investment adviser, are routinely engaged in various securities transactions and trading activities for various clients and customers (in addition to you) which could create conflicts of interest among our duties to you and our duties to other clients and customers.

In addition to sponsoring the Programs, RBC CM sponsors other investment advisory programs and engages in a broad range of brokerage and other financial services. Contact your Introducing Firm or Financial Professional for information regarding these programs. These include public and private investment banking and underwriting, retail and institutional brokerage and trading, institutional research and numerous other brokerage, advisory and financial services. Clients of RBC CM may include Investment Managers and Overlay Managers available in the Programs. Our broker-dealer activities are our principal business and account for most of our time, energies, and resources.

RBC CM and our affiliates may give advice and take action in performing our duties to other clients that differs from advice given, or the timing and nature of action taken, with respect to you. In the course of our respective investment banking activities or otherwise, we and our affiliates may, from time to time, acquire material non-public or other information about corporations or other entities or their securities. We and our affiliates are not obligated and may not be permitted to divulge any such information to or for the benefit of clients, or otherwise act on the basis of any such information in providing services to clients. We, our related persons, and affiliates may purchase for our own accounts securities that are made available to Program clients.

#### **RBC GAM-US**

RBC GAM-US is an affiliate of RBC CM. RBC GAM-US is a federally registered investment adviser that provides portfolio management services to institutional separate accounts, registered investment companies, pooled vehicles, and portfolio management services for wrap fee accounts and Model Portfolios offered by other Providers. RBC CM makes RBC GAM-US available as an Investment Manager in the Consulting Solutions Program and as a Model Provider in RBC UP.

In the Cash Sweep Program, you may have a balance in the RBC BlueBay U.S. Government Money Market Fund-Institutional Investor Class 2 (TIMXX) or the RBC BlueBay U.S. Government Money Market Fund-Investor Class (TUIXX), both managed by RBC GAM-US. A lower cost share class of the same RBC BlueBay U.S. Government Money Market Fund (TUGXX) is also available outside of the Cash Sweep Program. TUGXX is subject to eligibility requirements for Retirement Accounts. For amounts invested in shares of the RBC GAM-US managed money market fund, our affiliate RBC GAM-US will receive fees for managing and servicing the fund. RBC GAM-US will also pay RBC CM 12b-1 fees, which provides us with another incentive to use this money market fund instead of another fund that does not pay us the same or any revenue share. We address this conflict of interest by proper disclosure.

#### **City National Rochdale**

CNR is a subsidiary of CNB. CNR is a federally registered investment adviser that provides investment management services to high-net-worth individuals, families, and foundations. CNR may also serve as investment adviser and/or sub-adviser to Funds that may be recommended by RBC CM. This is a conflict of interest as we are incented to make available Funds subadvised by CNR or third-party Funds sub-advised by CNR. This conflict of interest is addressed by proper disclosure and by rebating or not charging certain fees to Retirement Accounts in Consulting Solutions and RBC UP.

#### **RBC US Holdco Corporation**

RBC CM, RBC GAM-US and CNB are wholly owned subsidiaries of RBC USA Holdco Corporation, which is a wholly owned indirect subsidiary of RBC.

#### **RBC Global Asset Management (UK) Limited**

GAM UK is a wholly owned indirect subsidiary of RBC and an affiliate of RBC CM. GAM UK serves as an investment sub-adviser to certain U.S. registered Funds for which RBC GAM-US or other third parties serve as the investment adviser. Such Funds may be recommended by RBC CM. This is a conflict of interest as we have an incentive to recommend Funds that are sub-advised by our affiliates over other products. To the extent permitted by applicable law, this conflict is addressed by proper disclosure and by not assessing the Program Sponsor Fee or the Overlay Manager Fee component of the Program Fee, when RBC CM acts as Overlay Manager, to the value of these funds maintained in Consulting Solutions and RBC UP Retirement Accounts. In addition, RBC CM makes GAM UK available as a Model Provider in RBC UP.

#### **Matthews International Capital Management, LLC**

RBC USA Holdco Corporation, a wholly owned indirect subsidiary of RBC, owns a minority interest in Matthews International Capital Management, LLC ("MICM") which serves as investment adviser for Matthews Asia Funds. MICM is a privately owned, federally registered investment adviser that provides investment services to institutional clients, pension and profit-sharing plans, insurance companies, endowments, and foundations and other business entities. MICM also serves as an investment adviser or sub-adviser to Funds which may be made available by RBC CM. This is a conflict of interest as we are incented to recommend MICM Funds over a non-RBC fund. To the extent permitted by applicable law, this conflict is addressed by proper disclosure and by not assessing the Program Sponsor Fee, and when RBC CM acts as Overlay Manager, the Overlay Manager Fee component of the Program Fee to the value of these funds maintained in Retirement Accounts in Consulting Solutions and RBC UP.

#### **Trust and Estate Settlement Services**

Clients can select CNB, a nationally chartered bank and trust company, or its subsidiary RBC Trust Company (Delaware) Limited ("RBC Trust"), a Delaware chartered trust company as a professional trust and estate settlement service provider. RBC CM and its Financial Advisors are generally prohibited from serving as trustees. Clients can also select TrustCorp America ("TCA"), a Washington, D.C. chartered trust company, as a professional trust and estate settlement service provider. RBC CM has a minority interest in TCA.

## **Cash Sweep Program**

RBC CM and Affiliated Banks receive financial benefits in connection with Cash Sweep Options managed or held by related persons of RBC CM. See Item 4, “Cash Balances and the Cash Sweep Program” for a description of the Cash Sweep Options and related conflicts of interest.

## **Other Material Relationships**

### **Marketing and Operational Support Payments**

As discussed above under “Fund Fees and Expenses” in Item 4, RBC CM receives Marketing Support payments from certain Funds, ETP, and/or insurance companies, as well as the Investment Managers, Model Providers, and/or Envestnet. We use this money for general marketing and Financial Professional educational programs, to offset compliance and product management costs and to support client education programs and seminars. Marketing Support payments received from Investment Managers, Model Providers and/or Overlay Managers are also paid based on a flat dollar amount to RBC CM. Except for Retirement Accounts enrolled in RBC UP, RBC CM also receives non-transaction fee (“NTF”) payments from certain Fund companies in connection with Funds and ETPs that are purchased, sold or exchanged without transaction charges. NTF payments made to RBC CM are calculated as a percentage of Fund assets, calculated as a percentage of Fund assets and sales, or are paid based on a flat dollar amount. Neither RBC CM nor Introducing Firm receive any extra compensation for selling Funds of these companies, nor do they receive additional compensation by using a specific Investment Manager, Model Provider or Overlay Manager in the applicable Programs.

RBC CM receives Operational Support payments from certain Fund companies which are used in part to offset certain administrative and operational costs that RBC CM incurs in connection with providing certain sub-accounting and sub-transfer agent services in distributing Funds and provides a financial benefit to RBC CM. These costs include sending shareholder statements, maintaining shareholder records, and performing regulatory mailings. RBC CM has a conflict of interest in utilizing Fund companies that make payments to us over those that do not make such payments. RBC CM has a conflict of interest in choosing higher expense ratio share classes where we receive payments from Fund families to help offset certain operational costs that RBC CM incurs in connection with distributing Funds. A higher expense ratio will adversely affect investment performance. RBC CM has a conflict of interest associated with utilizing third parties that make Marketing Support, NTF and/or Operational Support payments to us because we have a financial incentive to select a third-party based on these payments.

In general, Funds and ETPs of those companies that make Operational Support, NTF and/or Marketing Support payments to RBC CM have higher expense ratios than Funds and ETPs of companies that do not make such payments. The receipt of Operational, NTF and/or Marketing Support payments from a Fund company by RBC CM is one of multiple factors that RBC CM considers when deciding which Funds and share classes to offer and make available to clients. RBC CM has a conflict of interest associated with selecting a Fund share class with a higher expense ratio for which RBC CM receives Operational Support, NTF and/or Marketing Support payments and/or for which such payments are higher than from other Fund companies, instead of utilizing a share class with a lower expense ratio regardless of whether that Fund pays RBC CM lower or any Marketing Support and/or Operational Support payments or any such payments at all. RBC CM has a conflict of interest in utilizing firms/Funds that make Operational Support, NTF and/or Marketing Support payments to RBC CM over firms that do not make these payments. RBC CM has a conflict of interest in choosing higher expense ratio share classes where we receive these payments from Fund companies to help offset certain operational costs that RBC CM incurs in connection with distributing those Funds. RBC CM mitigates these conflicts of interest by not making Financial Professionals aware of the specific financial arrangements and by not providing Financial Professionals any additional compensation in connection with the receipt of these payments. These conflicts of interest are also addressed by appropriate disclosure in this brochure. For a list of Fund families from which RBC CM receives payments described herein, please see “Mutual Fund and ETF Arrangements” at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

### **Federated Investment Counseling**

Federated Investment Counseling (including its Federated Hermes CW Henderson division) is an unaffiliated investment adviser registered with the SEC. As of the date of this brochure, Federated Investment Counseling (and one or more of its Investment Strategies and/or Model Portfolios, as applicable) is available for selection as an Investment Manager in Consulting Solutions and as a Model Provider in RBC UP. In addition, Federated Investment Management Company is the investment adviser for the only unaffiliated money market fund available as a Cash Sweep Option for advisory clients. The Federated Hermes Treasury Obligations Fund (TOAXX) is the Cash Sweep Option RBC CM makes available to Retirement Accounts.

Cash balances in accounts managed by Federated Investment Counseling as Investment Manager in Consulting Solutions or invested in a Federated Investment Counseling Model Portfolio in RBC UP, will be invested in any such client’s selected Cash Sweep Option, which may be the Federated Hermes Treasury Obligations Fund (TOAXX).



As discussed in Item 4, clients pay the Program Fee on the total value of the assets in their Program account, including cash balances. As a result, you should be aware that if Federated Investment Counseling is the discretionary Investment Manager for your Consulting Solutions account, or the Model Provider that delivers its Model Portfolio in which your RBC UP account is invested, you will pay Federated Investment Counseling advisory fees on all assets, including cash balances. If the Cash Sweep Option for your Program account is the Federated Hermes Treasury Obligations Fund (TOAXX), you will also pay Federated Hermes applicable money market mutual fund fees and expenses on these same cash balances, as described above in the section titled “Cash Balances and the Cash Sweep Program.”

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics and Personal Trading**

RBC CM has adopted an Investment Adviser Code of Ethics (the “**IA Code of Ethics**”) in accordance with Rule 204A-1 of the Advisers Act, which applies to all RBC CM employees, contingent workers, contract workers and interns (“**Covered Persons**”), with limited exceptions. The IA Code of Ethics sets forth the standards of business conduct applicable to RBC CM and its Covered Persons (i.e., to act with integrity, honesty, and professionalism and to always act in the best interests of our clients) and is designed to ensure that RBC CM and its Covered Persons comply with applicable federal and state securities laws and regulations. The IA Code of Ethics also highlights that as an investment adviser and fiduciary, the Firm and its Covered Persons have an affirmative duty to always act in the best interest of our advisory clients which means their interests must always come first. This means that when acting in an investment advisory capacity, Covered Persons are responsible to: (i) put client interests before their own; (ii) act with utmost good faith; (iii) provide full and fair disclosure of all material facts; (iv) not mislead clients; and (v) disclose all potential, perceived, and/or actual conflicts of interest to clients.

The IA Code of Ethics also includes guidelines regarding personal securities transactions of, and the maintenance of personal securities accounts by, its’ Covered Persons (with the exception of interns) in accordance with the Firm’s policies on outside securities accounts, and employee/employee-related accounts. More specifically, the IA Code of Ethics outlines the Firm requirements contained in such policies, including that Covered Persons and their immediate family members (i) maintain their personal securities accounts and accounts in which they have a beneficial interest at RBC CM, unless the Firm has given its prior express written permission to open and/or maintain an account outside of RBC CM, (ii) report their personal securities transactions and holdings to RBC CM, and (iii) obtain pre-approval for investments in private placements and initial public offerings, among others. In addition, the IA Code of Ethics also contains information on standards relating to prohibited and illegal activities associated with the possession of material non-public information (e.g., further disclosure, trading), the administration and enforcement of the IA Code of Ethics, and maintenance of certain records relating to the IA Code of Ethics. As part of RBC CM’s annual Compliance questionnaire process, Covered Persons are required to certify to their receipt and review of, and compliance with, the IA Code of Ethics. A copy of the IA Code of Ethics is available to clients or prospective clients upon request.

Refer to your Introducing Firm’s regulatory brochure for its Code of Ethics.

### **Participation or Interest in Client Transactions**

As a full-service broker-dealer, on an ongoing basis and as permitted by applicable law, we may, when appropriate:

- act as broker or agent, effect securities transactions for compensation for you;
- make available to Introducing Firm securities or investment products in which we or a related person or a family member of an employee has some financial interest;
- buy or sell for ourselves securities that we also make available to Introducing Firm; or
- sell or convert Fund shares or other unbilled assets, which will subject proceeds to the Program Fee.

We have adopted internal policies and procedures with respect to conflicts of interest between us and our clients. Pursuant to these policies and procedures, we, when engaging in the activities enumerated above, treat your orders fairly and do not give our own orders preference over your orders. As required by applicable law and/or exchange rules, including, but not limited to, the Advisers Act, we obtain the consent of affected clients in advance of any transactions in which we will be engaging in the activities referenced above. When we engage in the activities referenced above, all statements and/or confirmations of such transactions contain the disclosures required by applicable law and exchange rules. Securities activities are monitored daily to detect and prevent employees from trading ahead of client accounts.

RBC CM and its affiliates are not obligated to affect any transaction that they believe would violate federal or state law, or the regulations of any regulatory or self-regulatory body.

## **Agency Cross Transactions**

Agency cross trades and internal cross trades are generally prohibited for Program accounts.

## **Best Execution**

It is the duty of the entity with brokerage discretion under a Program to seek the best net price and execution on securities trades for client accounts. In the event that we sell a security to you or buy a security from you, we will use all reasonable efforts to ensure that you obtain the best net price and execution on the purchase or sale based on prevailing inter-dealer market prices. In some circumstances, the change in market price may result in a financial benefit to us. We may consider it appropriate to use our own execution services to effect purchases and sales of securities for investment advisory clients. We may receive brokerage commissions in connection with such transactions and, in accordance with Section 11(a) of the Exchange Act, may execute transactions for investment advisory accounts over which we have discretion on the floors of securities exchanges of which we are a member. Mark-ups and mark-downs charged by a dealer unaffiliated with us may be included in the price of certain transactions.

## **Payment for Order Flow, Order Routing and Rebates**

For options orders, we receive payments in the form of rebates and credits. We receive payments from option market centers in return for routing exchange-listed equity and index options orders to those centers when the rebates and credits we receive from those centers are in excess of the fees that those centers charge us for such orders. Any remuneration that we receive for directing options trades to any market center will not accrue to your account. RBC CM contracts with a third-party vendor, to provide execution metrics that RBC CM uses to evaluate execution quality across various markets and firms. These payments for order flow create a conflict of interest for RBC CM as it incentivizes us to route orders to the market center that pays the most. RBC CM mitigates this conflict by making routing decisions based on the quality of execution and not payment for order flow, and by not sharing these payments with the Introducing Firm or its Financial Professionals or those involved with the execution of the order. We also mitigate these conflicts by disclosing them to you and by establishing policies and procedures that limit the value, frequency, and nature of these types of incentives. For information with respect to RBC's handling of customer orders, see "SEC Order Handling Disclosures" at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures). You can request a written copy of this information from your Financial Professional.

## **Trade Errors**

From time to time, inadvertent administrative errors may occur in processing transactions, resulting in one or more erroneous securities transactions for a client's account. If this occurs in an account, the error will be corrected, and the account will be restored to the same economic position had the error never occurred. Through this process, a profit may be realized, or a loss suffered in connection with correcting this error. Neither losses nor gains realized will be passed on to the client. RBC CM will retain amounts remaining after errors are corrected. As a result, trade corrections can result in a financial benefit to RBC CM or its affiliated broker/dealers.

## **Trade Aggregation and Allocation**

In addition, the Overlay Managers have discretion to aggregate orders into a block trade and execute at an average price. Depending on the size of these orders and the liquidity of the individual security the execution of the block may occur over more than one day.

## **Review of Accounts**

As a Program client, your Financial Professional is responsible for periodic reviews of your account(s).

You are responsible for contacting your Financial Professional if you have questions, if any information you've previously provided to us has changed or if any information is inaccurate.

## **Reports to Program Clients**

- **Trade Confirmations and Account Statements.** RBC CM will provide you with the following reports of relevant activity in an account:
  - trade confirmations reflecting all transactions effected with or through us (other than cash sweep transactions) unless designated otherwise by you;
  - Periodic account statements as described in your Customer Account Agreement.

In the Advisory Agreement, for accounts enrolled in any Program other than RBC Advisor, you will elect whether you wish to receive trade confirmations on a daily or monthly basis for your account(s).

RBC Advisor accounts can only receive trade confirmations on a trade-by-trade daily basis. At any time, you may request a copy of the trade confirmation for transactions that appear on the monthly transaction summary statement, as well as any subsequent transaction, or previous transaction effected through RBC CM at no additional cost. If you or RBC CM terminate a Program account, RBC CM will revert the frequency of trade confirmations to daily.

## **Financial Information**

We are not required to include a balance sheet in this brochure because we do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial conditions that are reasonably likely to impair our ability to meet our contractual commitments to clients. RBC CM, RBC CM and their predecessors have not been the subject of a bankruptcy petition during the past 10 years



**Clearing &  
Custody**