

Service Provider Disclosure

ERISA Section 408(b)(2)

RBC Clearing & Custody (CS)



Clearing &
Custody

PLEASE RETAIN A COPY OF THIS DOCUMENT
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 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.

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.

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.

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. 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 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.

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 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, including money market funds, RBC Insured Deposits and RBC CM’s Credit Interest Program (“CIP”), 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 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.rbccclearingandcustody.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.rbccclearingandcustody.com/disclosures.