



**RBC INVESTMENT ADVISORS SA
PART 2A OF FORM ADV (FIRM BROCHURE)**

This brochure provides information about the qualifications and business practices of RBC Investment Advisors SA ("RBCIA"), an investment advisor registered with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact RBCIA at + 41 22 818 48 40. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about RBCIA is also available on the SEC's website at www.adviserinfo.sec.gov.

Advisory Firm

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Item 2 – Material Changes

There are no material changes since the last annual update of RBCIA Firm Brochure (dated January 29, 2014).

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Item 4 – Advisory Business

Firm Overview

RBC Investment Advisors SA (“RBCIA”) is a corporation organized under the laws of Switzerland and based in Geneva, Switzerland. RBCIA is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) and supervised in Switzerland by the Association Romande des Intermédiaires Financiers (“ARIF”), a Swiss self-regulatory organisation. RBCIA is also an exempt international advisor in the provinces of Québec, Ontario, Alberta and British Columbia in Canada. Registration with the SEC, supervision by ARIF, and qualifying as an exempt international advisor in Canada, does not imply a certain level of skill or training. RBCIA started operating in June 2010 under the name Franck Galland U.S. Advisors SA (“FGUSA”). On October 14, 2011 FGUSA changed its ownership and consequently its name to RBC Investment Advisors SA. RBCIA is a wholly-owned subsidiary of Roycan Trust Company SA, a company incorporated in Geneva, Switzerland, which is a wholly-owned subsidiary of Royal Bank of Canada (Suisse) SA (“RBC Switzerland”) also incorporated in Geneva, Switzerland, which is part of the Royal Bank of Canada Group (“RBC Group”). RBC Group is one of the world’s leading providers of capital markets and wealth management solutions. RBCIA affiliates provide a full range of financial services to individual and business clients including banking, insurance and investments.

Advisory Services

RBCIA provides discretionary and non-discretionary investment services to individuals, trusts, corporations or business entities located in the United States and abroad, mainly US persons. RBCIA services are provided based on the individual needs of a client and stated investment objectives and guidelines of the account.

Discretionary Portfolio Management Services

Clients who wish to receive discretionary portfolio management services will sign a Discretionary Asset Management Mandate (“Discretionary Mandate”) with RBCIA. Under this Discretionary Mandate, RBCIA is authorized to manage the assets on a fully discretionary basis, according to the client’s investment needs, objectives, risk appetite and restrictions listed in the client’s Investment Profile. Clients may impose restrictions on investing in certain securities or certain types of securities. RBCIA will periodically review and may update an account’s asset allocation and holdings in response to economic, political or market conditions. Clients’ investment objectives and constraints will be updated as well. The client’s Investment Profile will determine the type of investment strategy used by RBCIA to manage the client assets (details under Item 8). Clients who wish to have RBCIA manage a *tailor-made portfolio* will define together with RBCIA a customized investment strategy that will be detailed in the client’s Investment Profile.

Non-discretionary Investment Advice

Clients who wish to benefit from non-discretionary investment advice will sign an Advisory Services Mandate with RBCIA (“Advisory Mandate”). Under the Advisory Mandate, RBCIA will interact with the client and, at the client’s request, discuss with the client views and recommendations concerning securities, currencies, financial market trends and related investment options, strategies and opportunities. RBCIA may also provide the client, from time to time, with recommendations that RBCIA believes may be appropriate for the client and the client’s portfolio. The client will be solely responsible for making all investment decisions. Under the Advisory Mandate, RBCIA will not have any discretionary authority over the client’s account, will not monitor positions held in the client’s securities portfolio and will not be responsible for automatically updating any information or recommendations previously provided to the client.

**Type of Investments**

RBCIA offers its services on the following investment types (details under Item 8):

- Cash and short term (0-1 year)
- Fixed income
- Equity
- Other types of instruments

Wrap Fee Programs

RBCIA does not participate in wrap fee programs.

Assets Under Management

As per December 31, 2014, RBCIA managed assets of \$152.2 million on a discretionary basis and \$63.1 million on a non-discretionary basis for a total of approximately \$215.3 million.

Item 5 – Fees and Compensation**Fee Schedule**

RBCIA does not charge fees in advance. Fees are payable in arrears at the end of each quarter. RBCIA will send a bill to the client on a quarterly basis and instruct the client's custodian bank to deduct its fees as per the agreed fee level. These fees may be negotiable and RBCIA reserves the right to negotiate fees with clients when appropriate. RBCIA quarterly fees are calculated based on the average of the end-of-month market value of assets in the account of the three previous months. If a client terminates the discretionary or advisory mandate with RBCIA prior to quarter-end, the RBCIA fee will be calculated on a pro-rata basis. The applicable fee for each bracket of assets under management is shown below and applies to the average value of assets calculated each quarter and expressed in USD.

Discretionary Mandate

RBCIA offers discretionary portfolio management services for a fee calculated as a percentage of assets under management, subject to a minimum quarterly fee of USD 2'500. The annual fee schedule is as follows:

Account value in USD	Marginal rate
Up to USD 3'000'000	1.00%
From USD 3'000'001 to 10'000'000	0.85%
From USD 10'000'001 to 25'000'000	0.65%
USD 25'000'001 and above	as agreed
Minimum quarterly fees : USD 2'500	

Advisory Mandate

RBCIA offers non-discretionary investment advice for a fee calculated as a percentage of assets under management subject to a minimum quarterly fee of USD 2'500. The annual fee schedule is as follows:

Account value in USD	Marginal rate
Up to USD 3'000'000	0.75%
From USD 3'000'001 to 10'000'000	0.65%
From USD 10'000'001 to 25'000'000	0.50%
USD 25'000'001 and above	as agreed
Minimum quarterly fees: USD 2'500	



Other Fees and Expenses

The above rates do not include transaction costs or any fees charged to clients by their custodian bank for custodial services related to their accounts. The custodian usually passes through to clients stamp tax duties and all other fees charged by third party brokers with respect to assets managed or advised by RBCIA for its clients (see Item 12 Brokerage Practices). Fees may include Swiss value added tax (VAT) when applicable. The current VAT rate is 8%. Neither RBCIA nor any of its supervised persons accepts compensation for the sale of securities or other investment products. Affiliated or non affiliated RBC mutual funds and exchange traded funds also charge their own management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to RBCIA fees, and RBCIA does not receive any portion of these commissions, fees, or costs incurred by the client.

Item 6 – Performance-Based Fees and Side-By-Side Management

Neither RBCIA nor any of its supervised persons charges performance-based fees.

Item 7 – Types of Clients

RBCIA provides discretionary and non-discretionary investment services to individuals, trusts, corporations or business entities located in the United States and abroad, mainly US persons. There is no account minimum at RBCIA. Nevertheless, RBCIA believes that a minimum amount of US\$ 1'000'000 allows for optimal diversification of an investment portfolio's assets. RBCIA may enter into agreements with clients who have different account sizes.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

RBCIA methods of analysis include primarily fundamental analysis (i.e., the analysis and interpretation of basic company and industry data) and to a lesser extent quantitative analysis (i.e., the analysis and interpretation of numerical and measurable characteristics). The main sources of information RBCIA uses include research materials prepared by third parties, corporate rating services, annual reports, prospectuses, filings with the SEC, financial newspapers and magazines, and company press releases.

Discretionary Portfolio Management Services (“Discretionary Mandate”)

Clients who wish to receive discretionary portfolio management services will sign a Discretionary Asset Management Mandate (“Discretionary Mandate”) with RBCIA. Under this Discretionary Mandate, RBCIA is authorized to manage the assets on a fully discretionary basis, according to the client's investment needs, objectives, risk appetite and restrictions listed in the client's Investment Profile. RBCIA will periodically review and may update an account's asset allocation and holdings in response to economic, political or market conditions. Clients' investment objectives and constraints will be updated as well.



The client's Investment Profile will determine the type of investment strategy used by RBCIA to manage the client's assets. A reference currency will also be determined with the client (for example USD, EUR, CHF or CAD). Five standard investment strategies are offered by RBCIA to clients that sign a Discretionary Mandate:

- *Conservative*
The focus is the generation of stable income. The investor in this category has a low tolerance for risk.. The maximum equity exposure in the strategy is 22%.
- *Income*
The main focus is the generation of income with a secondary focus on capital appreciation. The investor in this category has a low to medium tolerance for risk. The maximum equity exposure in the strategy is 35%.
- *Balanced*
The focus is a balance between capital appreciation and the generation of income. The investor in this category has a medium tolerance for risk. The maximum equity exposure in the strategy is 50%.
- *Dynamic*
The main focus is long term capital appreciation with a secondary focus on the generation of income. The investor in this category has a high tolerance for risk. The maximum equity exposure in the strategy is 65%.
- *Growth*
The main focus is long term capital appreciation with a secondary focus on the generation of income. The investor in this category has a very high tolerance for risk. The maximum equity exposure in the strategy is 80%.

Clients who wish to have RBCIA manage a *tailor-made portfolio* will define together with RBCIA a customized investment strategy that will be detailed in the client's Investment Profile.

All investment strategies managed by RBCIA are implemented through a combination of different types of investments such as cash, fixed income, equities and other types of instruments and include long term purchases (securities held for at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days) and the use of derivatives. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Investing in securities involves risk of loss that clients should be prepared to bear.

Non-discretionary Investment Advice ("Advisory Mandate")

Clients who wish to benefit from non-discretionary investment advice will sign an Advisory Services Mandate with RBCIA ("Advisory Mandate"). Under the Advisory Mandate, RBCIA will interact with the client and, at the client's request, discuss with the client views and recommendations concerning securities, currencies, financial market trends and related investment options, strategies and opportunities. RBCIA may also provide the client, from time to time, with recommendations that RBCIA believes may be appropriate for the client and the client's portfolio. The client will be solely responsible for making all investment decisions. Under the Advisory Mandate, RBCIA will not have any discretionary authority over the client's account, will not monitor positions held in the client's securities portfolio and will not be responsible for automatically updating any information or recommendations previously provided to the client. Investing in financial instruments involves risk of loss that clients should be prepared to bear.



Type of Investments

RBCIA offers its Advisory Services on the following investment categories:

Cash and short-term (0-1 year)

- Cash
- Commercial papers
- Certificates of deposit

Fixed Income

- Bonds

Equity

- Shares

Other types of instruments

- Alternative investments
- Commodities
- Mutual funds
- Derivatives

Material Risks

Investing in financial instruments involves risks that the client should be prepared to bear.

Cash and short-term (0-1 year)

The fiduciary deposit is one of the financial products offered by banks in Switzerland. It is an investment by a bank in the form of a deposit with another bank that cannot be withdrawn for a certain “term” or period of time. Such an investment is done under the name of the private bank but for the benefit and at the risk of the client as the beneficial owner. The return on a fiduciary deposit consists of interest. The risk is usually represented by a default from the banking institution that issues the deposit.

Commercial paper is a money-market security issued by large banks and corporations to meet short term debt obligations and is only backed by an issuing bank or corporation's promise to pay the face amount on the maturity date. Since it is not backed by collateral, only firms with excellent credit ratings will be able to sell their commercial papers at a reasonable price. The return on a commercial paper consists mainly of interest. The risk is usually represented by a default from the issuer.

A certificate of deposit (also known as time or term deposit) is a money deposit at a banking institution that cannot be withdrawn for a certain term (unless a penalty is paid). The return on a certificate of deposit consists of interest. The risk is usually represented by a default from the banking institution.

Fixed Income

A bond is a debt security, in which the authorized issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay interest (the coupon) and/or to repay the principal at a later date, termed maturity. Bonds are usually issued by sovereign states and companies. The return on a bond usually consists of interest and capital gain. A bond may present certain risks. For example, the issuer may default, implying a loss of partial or total value on the bond. Furthermore, bond prices can become volatile depending on the credit rating of the issuer; a downgrade by a rating agency will cause the market price of the bond to fall, whereas an upgrade will cause its market price to rise. Fixed rate bonds are subject to interest rate risk, meaning that their market prices will decrease in value when the generally prevailing interest rates rise. Main bond types include fixed rate, floating rate, zero-coupon, inflation linked, asset-backed, government, and corporate.



Equity

A share is an equity security which represents an ownership share of a company. The price of the share depends mainly on the capacity of the company to generate earnings. Shareholders may receive dividends on an annual basis that represent a proportion of the net profit of the company. The return on the share usually consists of dividends and capital gain. Shares present various risks. The price of a share can fluctuate widely in the short run, implying important risk of loss. A company may go bankrupt and the value of its shares may drop to zero. Clients should be prepared to bear that risk of loss if they decide to invest in equities. Main share types include common and preferred.

Other types of instruments

Hedge funds are the best-known form of alternative investments. Despite what their name suggests, hedge funds do not necessarily have anything to do with hedging. Indeed, they take on sometimes very high levels of risk in order to obtain an above-average return. Hedge funds include all forms of investment funds, investment companies and partnerships that use derivatives not just for hedging but also for investment, that are able to engage in short selling or take on significant leverage by borrowing. Other features typical of hedge funds include their freedom to choose their asset classes, markets (including emerging markets) and trading methods. Hedge funds normally require high minimum investments. They frequently offer only limited opportunities for subscription and redemption, with long notice periods. Generally speaking, hedge fund managers do not need to be licensed by an authority and are largely unregulated. In particular, hedge funds are not subject to the numerous investor protection regulations that apply to authorized collective investments. These include rules on liquidity, redemption of fund units at any time, avoiding conflicts of interest, fair prices for fund units, disclosure and limitations on borrowing. Since these rules do not apply to hedge funds, they can use much more leverage than traditional authorized funds, and engage in complex investment transactions that are not permitted for traditional collective investments. A hedge fund is allowed to adopt aggressive strategies including the widespread use of short selling, leverage, swaps, arbitrage, derivatives and program trading. Their investment strategies are often highly complex and not transparent. You will often receive little or no information about changes of strategy that may lead to a significant increase in risk, or receive such information only at a late stage. As part of their investment strategy, hedge funds can also use derivatives such as futures, options and swaps that may be listed for trading on an exchange but do not have to be. These instruments may be subject to significant price volatility, resulting in a high risk of loss for the fund.

Commodities are physical goods that are produced via agriculture and mining, for example, and standardized for use as the underlying of a transaction. Derivatives on commodities such as energy sources, precious and other metals, and agricultural products are traded on futures markets. Contractual agreements allow investors to buy or sell futures linked to the performance of a particular commodity. This means that they can buy a standardized amount of a commodity at a specific time in the future for a specific price. The commonest way in which private individuals invest indirectly in commodities is via structured products. There are other alternatives, such as commodity swaps and options that are not listed for trading on an exchange. These are traded directly between the parties concerned and are tailor-made products. Commodities investments are more volatile than conventional investments, and yields on commodities can collapse at short notice. The volatility of commodity prices also affects the value, and hence the price, of a futures contract based on those commodities. Conventional futures on oil, base and precious metals are normally easy to trade, regardless of their term.

Mutual funds are professionally-managed type of collective investment schemes that pool money from many investors to buy securities (stocks, bonds, short-term money market instruments, and/or other securities). Mutual funds are subject to regulation by public authorities (e.g. the SEC). The price of a mutual fund unit corresponds to the net asset value of the fund i.e. the value of the securities held by the fund (adjusted for costs) divided by the number of units in circulation. The return of a mutual fund consists of dividends and capital gain. The risk of a mutual fund is



comparable to the risk of the underlying securities held by the fund. The price of a mutual fund will therefore vary over time depending on the value of the securities held by the fund. If the mutual fund holds equity securities, then the price of the fund can fluctuate widely in the short run, implying important risk of loss.

Derivatives are financial instruments (or, more simply, agreement between two parties) that have a value, based on the expected future price movements of the assets to which they are linked — called the underlying asset— such as shares, interest rates, currencies or commodities. There are many kinds of derivatives, with the most common being swaps, futures, and options. Derivatives are not stand-alone assets, since they have no value of their own. However, more common types of derivatives are traded on markets before their expiration date as if they were assets. Details about the different types of derivatives, associated risk and return characteristics are outlined in the brochure “Special Risks in Securities Trading” (Swiss Bankers Association, 2008) provided by RBCIA to all of its clients.

Clients of RBCIA should be aware of the following risks associated with investments in securities.

Market Risk

The market values of securities owned by the portfolios may decline, at times sharply and unpredictably. Market values of securities are affected by a number of different factors. For equity securities, market risk may be more significant in small and mid- capitalization companies. Market values of fixed income securities may be affected by changes in interest rates, the credit quality of issuers, and general economic and market conditions. These risks may be magnified for lower-quality fixed income securities. In general, investing in non-US securities implies an additional *currency risk*.

Liquidity Risk

Liquidity risk is the risk derived from the lack of marketability of a given security or asset that cannot be traded quickly enough in the market to prevent or minimize a loss (or make the required profit).

Common Stock Risk

Stocks may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular country, company, industry, or sector of the market. In addition, the types of stocks in which a particular portfolio invests, such as value stocks, growth stocks, large-capitalization stocks, mid-capitalization stocks, small-capitalization stocks and/or micro-capitalization stocks, may underperform the market as a whole. In addition, growth stocks can be more volatile than other types of stocks. Value stocks can continue to be undervalued by the market for long periods of time. Additionally, dividends paid on common stocks can vary significantly over the short-term and long-term. Dividends on common stocks are not fixed, but are declared at the discretion of an issuer's board of directors. There is no guarantee that the issuers of common stocks in which a portfolio invests will declare dividends in the future or that if declared they will remain at current levels or increase over time.

Credit Risk

Credit risk is the risk that an issuer of a debt security will be unable to make interest and principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer's ability to make such payments. Credit risk may be heightened for portfolios that invest in “high yield” securities.

Income Risk

The income earned from a portfolio may decline because of falling market interest rates. Also, if a portfolio invests in inverse floating rate securities, whose income payments vary inversely with changes in short-term market rates, the portfolio's income may decrease if short-term interest rates rise.



Interest Rate Risk

Interest rate risk is the risk that the value of a portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter-term investments and higher for longer-term investments. Duration is a common measure of interest rate risk. Duration measures a bond's expected life on a present value basis, taking into account the bond's yield, interest payments and final maturity. The longer the duration of a bond, the greater the bond's price sensitivity to changes in interest rates.

Prepayment Risk

During periods of declining interest rates, the issuer of certain types of securities may exercise its option to prepay principal earlier than scheduled, forcing a portfolio to reinvest in lower yielding securities. This is known as call or prepayment risk. Debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.

Extension Risk

During periods of rising interest rates, the average life of certain types of securities may be extended because of lower than expected principal payments. This may lock in a below market interest rate, increase the security's duration and reduce the value of the security. This is known as extension risk. Market interest rates for investment grade fixed-income securities are currently significantly below the historical average rates for such securities. This decline may have increased the risk that these rates will rise in the future; however, historical interest rate levels are not necessarily predictive of future interest rate levels.

Item 9 – Disciplinary Information

Neither RBCIA nor any of its management persons is or has been the subject of any legal or disciplinary proceedings that are material to a client's evaluation of or the integrity of RBCIA or its management persons.

Item 10 – Other Financial Industry Activities and Affiliations

RBCIA does not have any relationships or arrangements that are material to its advisory business or clients with a related person other than those discussed below:

- RBCIA clients may select Royal Bank of Canada (Suisse) SA ("RBCS"), an affiliate of RBCIA or another custodian bank, to provide custodial services for their accounts. If so, clients will enter into a separate custodial arrangement directly with RBCS or the other custodian authorizing the custodian to debit and pay the amount of fees owed to RBCIA at the agreed level (see Item 5 Fees and Compensation). RBCS or the other custodian may also provide other non-investment related services to RBCIA clients, including clearing, matching and settlement of trades into client accounts, valuation of assets, and provisions of quarterly statements, pursuant to separate agreements between each client and their custodian.
- RBCS provides RBCIA with trade routing services and other related trading services to external broker-dealers for execution. These trade routing services are only applicable to RBCIA clients that select RBCS as a custodian. RBCIA client orders are not aggregated with RBCS client orders once routed externally for execution. RBCS may, from time to time, act as principal by being the counterparty for certain types of client transactions such as Forex and precious metals. Apart from these exceptions, RBCS does not act as principal for other types of RBCIA client orders. Details on RBCIA brokerage practices are provided under Item 12. RBC Dominion Securities Inc., a Canadian registered investment dealer, and RBC Capital Markets, LLC, a US registered



broker-dealer, both affiliates of RBCIA, may be used by RBCS as external broker-dealers to effect transactions of RBCIA clients. The use of an affiliated broker-dealer to execute client trades may raise a potential conflict of interests as effecting trades with affiliates could be seen as unfavorable to clients because of an affiliate's financial interest in the securities and compensation received from the transaction. To avoid any conflict of interests, RBCS applies strict best execution principles when selecting its broker-dealers counterparties and will ensure RBCIA clients are not charged a greater fee on a transaction with an affiliated broker-dealer than would otherwise be available through a non-affiliated broker-dealer.

- RBCIA may, under special circumstances, compensate affiliated or non-affiliated solicitors for the referral of clients to RBCIA as long as appropriate disclosures and regulatory requirements are met. These requirements impose an obligation on solicitors to provide a separate disclosure document to potential clients describing, among other things, the nature of the solicitation arrangement and the terms of the compensation arrangement with the solicitor. These arrangements may create a conflict of interest by providing an incentive for the solicitor to recommend RBCIA over another investment advisor. Referral compensation typically is a portion of the management or advisory fee the client pays to RBCIA. Client fees are not increased as a result of any referral fees.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading

To help prevent conflicts of interest and to guarantee proper business conduct, RBCIA has adopted a Code of Ethics which complements RBCIA's compliance procedures. The Code of Ethics focuses on the obligations of the client account manager and other RBCIA employees:

- Duty of loyalty
- Duty of diligence
- Duty of disclosure

Among other things, the Code of Ethics contains a standard of conduct, prohibits front-running and contains employee trading rules. If a person subject to the Code of Ethics fails to comply, he may be subject to sanctions which range from warnings to disgorgement of profits and dismissal. RBCIA may not buy or sell securities for itself and does not maintain proprietary securities trading accounts. A copy of the RBCIA Code of Ethics will be available to any client or prospective client upon request.

Participation or Interest in Client Transactions

A related person of RBCIA may purchase or sell a security that is held in a RBCIA client account for his own account or for the account of another client, including at the same time that a client of RBCIA is buying or selling the same security, subject to the provisions of the Code of Ethics. RBCIA may recommend to its clients that they buy or sell securities in which a related person of RBCIA may have some financial interest. RBCIA may recommend to its clients investments in an investment vehicle in which RBCIA's affiliates or other related persons have a financial interest as investment manager or co-investor. However, RBCIA has no business dealings with any of its affiliates except those described under Item 10, does not conduct joint operations with any of its affiliates, does not provide investment advice that is formulated (in whole or in part) by any of its affiliates and none of RBCIA affiliates present a potential conflict of interest with RBCIA's clients except those described under Item 10.

RBCIA's policies and procedures are designed to minimize potential conflict of interest. RBCIA's Chief Compliance Officer will seek to ensure that these policies and procedures are effectively carried out and that all client accounts are treated fairly and equitably.



Item 12 – Brokerage Practices

Best Execution

The custodian chosen by RBCIA clients may or may not provide trade routing services to client accounts. When a custodian requires RBCIA to route securities orders through the custodian's trading desk, the custodian will select the broker-dealers used according to its own brokerage practices. Each new custodian bank selected by RBCIA clients that will use its own list of approved brokers must be approved by RBCIA Management. RBCIA will conduct a review of the custodian trading procedures on a two years basis to ensure appropriate measures are in place at the custodian bank to satisfy RBCIA best execution obligations. Trading procedures of custodian banks in Switzerland are audited on an annual basis by the banks' internal and external auditors. RBCIA custodian review is not an audit. When a custodian requires RBCIA to select the broker-dealers, RBCIA has adopted a best execution policy. Accordingly, the custodian's traders route client transactions to a list of brokers approved by the RBCIA Best Execution Committee. RBCIA may consider numerous factors in arranging for the purchase and sale of clients portfolio securities. These include any legal restrictions and any client-imposed restrictions. Within these constraints, RBCIA shall employ or deal with members of securities exchanges and other brokers and dealers or banks that will, in RBCIA's judgment, provide best execution (i.e., prompt and reliable execution at the most favorable price obtainable under the prevailing market conditions) for a particular transaction for the client's account. In determining the abilities of a broker-dealer or bank to obtain best execution of portfolio transactions, RBCIA will consider all relevant factors, including:

- The execution capabilities the transactions require;
- The importance to the account of speed, efficiency, and confidentiality;
- The apparent familiarity of the broker-dealer or bank with sources from or to whom particular securities might be purchased or sold;
- The reputation and perceived soundness of the broker-dealer or bank; and
- Other matters relevant to the selection of a broker-dealer or bank for portfolio transactions for any account.

Soft Dollar Practices

RBCIA does not enter into soft-dollar arrangements.

Brokerage for Client Referrals

RBCIA may have referral arrangements with broker-dealers on its approved list. RBCIA does not direct trades to approved broker-dealers based on its referral arrangements.

Directed Brokerage

RBCIA will enter into directed brokerage arrangements at a client's request. The client must sign a directed brokerage agreement as part of the investment management agreement with RBCIA. Clients who direct brokerage may pay higher commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account, than might otherwise be the case if RBCIA were free to select broker-dealers and aggregate client orders with those of its other clients. Therefore, RBCIA may be unable to achieve most favorable execution of client transactions for clients directing brokerage.

Trade Aggregation

When consistent with the best interests of RBCIA clients, orders being placed at the same time for the accounts of two or more clients may be batched or placed as an aggregated order for execution. This practice may enable RBCIA to seek more favorable executions and net prices for the combined order. Any orders placed for execution on an aggregated basis are subject to RBCIA's order aggregation and allocation policy and procedures. This policy and these procedures are designed to meet the legal standards applicable to RBCIA and its obligations as a fiduciary to each client.



Transactions for any client's account may not be aggregated for execution if that client's investment management agreement with RBCIA explicitly forbids order aggregation. Orders to purchase or sell securities for all RBCIA accounts may be aggregated or batched for execution, provided, among other things, that:

- The purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- RBCIA reasonably believes that the order aggregation will benefit, and will enable RBCIA to seek best execution for each client participating in the aggregated order.
- Each client that participates in the order must do so at the average price for all the transactions and must share in commissions or other transaction costs on a pro rata basis.
- No client or account will be favored over another.

All RBCIA accounts may not be deposited with the same custodian bank. As a consequence, order aggregation may result in RBCIA not being able to guarantee the same price being used on aggregated orders for clients using different custodian banks.

Item 13 – Review of Accounts

Overview

For standard Discretionary Mandates, RBCIA Portfolio Managers review client accounts on an ongoing basis in order to ensure that their asset allocation and individual securities correspond to their standard Investment Grids. At least once every 3 months, the Asset Allocation Committee, headed by the Chief Investment Officer, and the Chief Compliance Officer monitor performance statistics and carry out a global account review which serves to ensure that individual portfolios correspond to their model guidelines and that their performances remain within an acceptable range of deviation from their underlying benchmarks.

For tailor-made Discretionary Mandates, RBCIA Portfolio Managers review client accounts on an ongoing basis in order to ensure that their asset allocation and individual securities correspond to their investment guidelines and constraints. At least once every 3 months, the Asset Allocation Committee, headed by the Chief Investment Officer, and the Chief Compliance Officer carry out a global account review which serves to ensure that client investment guidelines and constraints are applied to individual portfolios.

For Advisory Mandates, RBCIA Portfolio Managers will not monitor positions held in the client's portfolio.

In general, RBCIA will review accounts whenever there is a material change in client objectives, guidelines or financial circumstances, among other factors.

Client Reporting

The client's custodian bank provides written portfolio reports on a quarterly basis or as otherwise agreed with the client. Portfolio reports generally include portfolio holdings and may include performance information. RBCIA encourages clients to review their reports. RBCIA may distribute economic commentaries and other materials periodically. Special reports may be prepared by RBCIA to meet specific client requests.



Item 14 – Client Referrals and Other Compensation

Referrals

RBCIA may, under special circumstances, compensate affiliated or non-affiliated solicitors for the referral of clients to RBCIA as long as appropriate disclosures and regulatory requirements are met. These requirements impose an obligation on solicitors to provide a separate disclosure document to potential clients describing, among other things, the nature of the solicitation arrangement and the terms of the compensation arrangement with the solicitor. These arrangements may create a conflict of interest by providing an incentive for the solicitor to recommend RBCIA over another investment advisor. Referral compensation typically is a portion of the management or advisory fee the client pays to RBCIA. Client fees are not increased as a result of any referral fees.

Other Compensation

RBCIA does not enter into third party soft-dollar arrangements. Neither RBCIA nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Item 15 – Custody

RBCIA does not have direct custody of client assets. RBCIA clients may select Royal Bank of Canada (Suisse) SA ("RBCS"), an affiliate of RBCIA or another custodian bank, to provide custodial services for their accounts. If so, clients will enter into a separate custodial arrangement directly with RBCS or the other custodian authorizing the custodian to debit and pay the amount of fees owed to RBCIA at the agreed level (see Item 5 Fees and Compensation). RBCS or the other custodian may also provide other non-investment related services to RBCIA clients, including clearing, matching and settlement of trades into client accounts, valuation of assets, and provisions of quarterly statements, pursuant to separate agreements between each client and their custodian. Clients should carefully review statements received by their custodian and compare them to any statements received from RBCIA.

Item 16 – Investment Discretion

Clients who wish to receive discretionary portfolio management services will sign a Discretionary Asset Management Mandate ("Discretionary Mandate") with RBCIA. Under this Discretionary Mandate, RBCIA is authorized to manage the assets on a fully discretionary basis, according to the client's investment needs, objectives, risk appetite and restrictions listed in the client's Investment Profile. RBCIA will periodically review and may update an account's asset allocation and holdings in response to economic, political or market conditions. Clients' investment objectives and constraints will be updated as well.

Item 17 – Voting Client Securities

RBCIA does not and will not accept voting authority nor provide any advice over client proxies. Clients are responsible for arranging, with their custodian, either to vote proxies or to have another person vote their proxies.

Item 18 – Financial Information

RBCIA does not require or solicit prepayment of fees from its clients. Furthermore, RBCIA is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has it been the subject of a bankruptcy petition at any time during the past ten years.