

RBC Private Counsel (USA) Inc.

Wrap fee brochure

Advisor Program

January 25, 2024

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This brochure provides information about the qualifications and business practices of RBC Private Counsel (USA) Inc. If you have any questions about the contents of this brochure, please contact us at 416-955-2214. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

RBC Private Counsel (USA) Inc. is an SEC registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about RBC Private Counsel (USA) Inc. is available on the SEC's website at www.adviserinfo.sec.gov.



Wealth
Management

Item 2 – Material changes

This Wrap Fee Brochure (the “Brochure”) dated January 25, 2024, has been prepared in accordance with regulatory requirements.

The following are material changes to the Brochure since the last update on January 26, 2023.

Item 4 Services, fees and compensation – clarified section 4.2 to indicate (i) types of accounts that may be opened by Investment Advisors and Investment Counsellors; and (ii) Investment Advisors and Investment Counsellors may offer different fees to different clients in

particular circumstances. Updated section 4.3 to indicate that a client may contact their Investment Advisor or Investment Counsellor to request a trade for execution. Revised section 4.4 to remove reference to fee tiers and indicated the highest range of fee, payable per annum and to indicate that for investment funds that may be transferred into your portfolio, there may be ongoing fees applicable at the investment level that will reduce the value of such investment, particularly the management expense ratio.

Item 6 Portfolio manager selection and evaluation; Item 9 Additional Information – updated sections 6.1 and 9.4 to indicate that Investment Advisors and Investment Counsellors are responsible for arranging for execution of the transaction based on the client’s instruction.

RBC PC USA will provide you with a copy of the new Brochure without charge, upon request to your Investment Counsellor or Investment Advisor, as applicable. This Brochure is also available on the SEC’s website, www.adviserinfo.sec.gov.

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Item 4 – Services, fees and compensation

This section provides a general description of our firm, services provided under the Advisor Program and fee charged. It also provides information on how we are compensated for our advisory services.

4.1 General description and ownership

RBC Private Counsel (USA) Inc. (“RBC PC USA”) is a wholly-owned direct subsidiary of Royal Bank Holding Inc., which is a wholly-owned subsidiary of the Royal Bank of Canada (“RBC”), and is a member of the RBC group of companies. RBC is an internationally diversified organization with operations in many areas of the financial services industry and is a publicly held company (symbol: RY on TSX, NYSE and SWX). RBC PC USA was established in 1998 to provide discretionary investment management and supervisory services to U.S. residents and is registered with the U.S. Securities and Exchange Commission (the “SEC”) as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”).

4.2 Use of participating affiliates

In order to provide investment advisory services to you, we have entered into service arrangements with our Canadian affiliate RBC Dominion Securities Inc., (“RBC DS”) and our affiliate, RBC Dominion Securities Global Limited only in the Cayman Islands and the Bahamas (“RBC DS Global”) (each a “Participating Affiliate”) that allow us to utilize its facilities, services and other investment management capabilities, including personnel such as Investment Advisors, in rendering advice to our clients.

RBC DS is a Canadian corporation that is registered as an investment dealer with the securities authorities in each of the provinces and territories in Canada and is a member of the Canadian Investment Regulatory Organization. In addition to providing investment dealer services, RBC DS provides discretionary and non-discretionary investment management and supervisory services to retail clients

in Canada.

RBC DS Global is a Bahamas corporation that is registered pursuant to the Bahamas Securities Industry Act 2011 and Securities Industry Regulations 2012 as dealing in securities as principal and agent, arranging deals, managing securities and advising on securities. RBC DS Global is licensed as a full securities investment business to provide broker dealer, securities manager and securities advisor business, pursuant to the Securities Investment Business Law (2011 Revision) of the Cayman Islands.

RBC DS Global is also registered in Barbados as a securities company and investment advisor pursuant to the Financial Services Commission Act, The Securities Act and Securities Regulations of Barbados.

Although RBC DS and RBC DS Global are not registered as investment advisers in the U.S, in reliance on a no-action letter issued to RBC by the SEC in addition to other guidance provided by the SEC, we make use of their services and other management capabilities, including personnel, of each of RBC DS, RBC DS Global Cayman location and RBC DS Global Bahamas location.

An RBC PC USA Investment Adviser Representative uses the title of Investment Advisor or Investment Counsellor and has completed certain proficiency requirements recognized in the investment industry in Canada and where applicable, internationally. In particular, Investment Counsellors hold the Chartered Financial Analyst (CFA) designation or Canadian Investment Management (CIM) designation, in combination with one or more professional degrees. Investment Advisors and Investment Counsellor can

open accounts in the Advisor Program, A+ Program and the Access Manager Selection Program. However, only Investment Counsellors are permitted to recommend and open accounts in our Private Investment Management Program. Investment Advisors or Investment Counsellors provide investment advice to our clients and meet and communicate with our clients on a regular basis. Investment Advisors and Investment Counsellors may offer different fees to different clients, based on their overall AUM, family members with accounts at RBC PC USA and other unique circumstances; in all instances Investment Advisors and Investment Counsellors are required to consider certain factors in determining the fee, specifically AUM, products held and/or services provided. An approval process exists for requests to charge clients outside of the range.

4.3 Services

In the Advisor Program an Investment Advisor/ Investment Counsellor reviews your current personal and financial circumstances, investment knowledge, investment objectives and time horizon, risk profile (collectively, Know Your Client information), to make portfolio recommendations and assess suitability in relation to each transaction and your portfolio. We do not make investment decisions on your behalf and you may accept or reject our advice. If you accept our advice, you will instruct your Investment Advisor or Investment Counsellor to arrange to execute the transaction.

The process of building a portfolio begins with the Investment Advisor/ Investment Counsellor assessing a client’s investment objectives, risk profile, financial goals and considering

Know Your Client Information. The Investment Advisor/Investment Counsellor then recommends investments to the client for his/her approval. The client may also call their Investment Advisor or Investment Counsellor to request a trade in their portfolio at his/her own discretion, and the Investment Advisor or Investment Counsellor will arrange to execute the transaction.

4.4 Fees

As consideration for rendering non-discretionary investment management services, we receive a fee, payable monthly or quarterly, in arrears, based on a percentage of the client assets under administration. Your fee will be calculated based on the market value of your account as of the last business day of the month.

Fees are calculated and paid in either Canadian and/or U.S. dollars at no more than 2.75% per annum rate, subject to specific arrangements made with the client.

The fee paid by a client includes our advisory fees, RBC DS custodial fees (if applicable), and the cost of securities transactions where we, or our affiliates, act as your agent for buying, selling or generally dealing in securities for you, using various broker-dealers. Refer to section 9.4 for further details.

In addition to the above fees, certain other charges unrelated to the advisory and brokerage services, including fees and expenses relating to the operation of the account such as administrative fees, may apply, in accordance with the terms of the Client Account Agreements. In some cases, the investment advisory fees are negotiable and may vary from the schedules above.

Depending on the size of a client's account, the frequency of trading and type of securities purchased, the fee may cost a client more or less than the cost of purchasing such securities and services separately.

Early Termination Fee

Due to the significant time and effort involved in initially setting up a portfolio for a client, we may charge an early termination fee if the client terminates

its investment advisory relationship with us within twelve months of opening an account. The early termination fee may equal an amount up to the aggregate fee that would have otherwise been paid to us with respect to such account during the first twelve months of the relationship, less the amount of any fees already paid by the client.

Foreign exchange

RBC DS, as custodian for your account performs foreign currency transactions on your behalf when a trade is made in securities denominated in a currency other than the currency of your account ("Foreign Trade"). The foreign currency conversion rate that appears on your trade confirmation and/or account statement includes RBC DS's spread-based revenue ("spread") for performing this function, in addition to any commissions or fees related to the Foreign Trade or your account. Spread is the difference between the rate obtained and the rate you receive. The foreign currency conversion rate and the spread will depend on market fluctuations as well as the amount, date and type of foreign currency transaction. Foreign currency conversions take place at such rates as are available to retail customers of RBC DS for currency conversions of a similar amount, date and type. In performing foreign currency transactions, RBC DS acts as agent or principal. Foreign exchange transactions are carried out before or on the day of settlement of your Foreign Trade. A different day may be used for foreign exchange transactions related to a) mutual fund transactions b) transactions that you and RBC PC USA agree on to be effected by RBC DS; and c) to effect other transactions such as trading corrections.

In addition, certain other charges unrelated to the advisory and brokerage services, including fees and expenses relating to the operation of the account such as administrative fees, may apply.

For investment funds that may be transferred into your account, there may be ongoing fees applicable at the investment level that will reduce the value of such investment, particularly the management expense ratio and trailing commissions. If you held non-

trailing paying series of such transferred in investments outside of RBC PC USA, you would not be subject to investment management fee.

4.5 Compensation

The Investment Advisor/Investment Counsellor who recommended the Advisor program to you and provides advisory services to your account receives compensation as a result of your participation in the program.

If you choose to participate in one of our other RBC PC USA programs, it is possible that you will no longer deal with your current Investment Advisor/Investment Counsellor and instead may be serviced by another Investment Advisor/Investment Counsellor. As a result, the Investment Advisor/Investment Counsellor may have a financial incentive to recommend the Advisor Program over our other RBC PC USA programs, to you.

Item 5 – Account requirements and types of clients

This section provides a description of requirements in order to open an account and the types of clients to whom we typically provide investment advice.

The Advisor Program is offered on a limited basis only.

Our clients are typically individuals, their families and personal holding companies, and trusts.

Generally, the minimum account size to open an Advisor account is U.S. \$50,000, but could be lower, subject to total investments with PC USA.

Item 6 – Portfolio manager selection and evaluation

This section provides certain information about Advisor Program and a description of some of the risks of which you should be aware and of our proxy voting practices.

The Advisor Program is a non-discretionary advisory program where the client retains authority to make investment decisions. We do not review, select or recommend portfolio managers.

However, on occasion, we may provide information to the client regarding replacement of one or more securities held in the client's portfolio.

6.1 Advisory services, constructing your portfolio

As outlined in the beginning of the Brochure, in the Advisor Program, a client's portfolio is administered on a non-discretionary advisory basis by one of our Investment Advisors/ Investment Counsellors, who are responsible for recommending transactions in the client's accounts and arranging for execution of the transaction based on the client's instruction. All transactions must be approved by the client prior to being executed.

6.2 Methods of analysis

In making recommendations to a client, an Investment Advisor/Investment Counsellor may use charting,

fundamental, technical or cyclical methods of analysis and portfolio guidance. Strategies include long-term and short-term purchases and may also involve active trading (i.e., securities bought and sold within 30 days).

6.3 Performance based fees and side by side management

We do not accept performance-based fees, that is, fees based on a share of capital gains on or capital appreciation of the assets of a client account. As mentioned in Item 4 above, our investment advisory fees are based on the month-end market value of your portfolio.

6.4 Risk of loss

There are a number of sources of risk to which a typical portfolio may be exposed. These risks could result in unexpected losses of capital, reduce the generation of income, or decrease the probability of you achieving your goals.

Most of these risks can generally be mitigated through diversification: constructing your portfolio so there is not a significant exposure to any

single investment or group of investments that may be impacted in a similar manner as a result of a particular risk event. For some of the risks outlined below, there may be additional techniques that can be employed to further reduce risk.

The following is an overview and description of some of the risks of which you should be aware:

- **Market Risk** – This is the risk that a change in the economy and the market as a whole will affect the price of individual securities in ways that were not anticipated. While a change in the broader market is based on the underlying securities, not all individual securities are affected in the same way or to the same degree. Unexpected volatility or illiquidity could impair profitability or result in losses.

- **Interest Rate Risk** – This is the risk that a change in interest rates will impact the returns on interest rate-sensitive investments, such as bonds and mortgage-related securities and debt. Generally, rising interest rates result in a decline in asset prices. The values of applicable investments may change in response to movements in interest rates. If interest rates rise, the values of debt securities will generally fall and vice versa. In general, the longer the average maturity or duration of an investment portfolio, the greater the sensitivity to changes in interest rates.
- **Political/Geographic Risk** – This is the risk that policies or instability in a region or nation will impact performance.
- **Purchasing Power or Inflation Risk** – This is the risk that investments will return less than the rate of inflation and therefore your portfolio will not maintain its purchasing power.
- **Currency/Foreign Exchange Risk** – This risk exists for any investment made in an international market where payments or principal are exposed to another currency. In addition, the value of securities denominated in a foreign currency will be affected by changes in foreign currency rates or the imposition of foreign exchange controls.
- **Credit or Company Specific Risk** – This encompasses risks generally associated with individual companies, the possibility that issuers of securities may encounter significant challenges and/or default on the payment of interest or principal on the securities when due, which would cause a portfolio to incur losses.
- **Sector/Industry Risk** – This encompasses risks associated with a particular sector or industry (e.g. technology).
- **Equity Securities Risk** – Equity securities are affected by stock market movements. In addition, equity securities of certain companies, or companies within a particular industry sector, may fluctuate differently than the overall stock market because of changes in the outlook for those individual companies or the particular industry.
- **Liquidity Risk** – Investing in less liquid securities may result in the difficulty or even inability to sell in a timely manner, as well as potentially a negative impact on price received, if you need the money in the short term. For example, legal restrictions, the nature of the investment itself, settlement terms, or a shortage of buyers. Generally, investments with lower liquidity tend to have more dramatic price changes and may subject the investor to losses or additional costs.
- **Regulatory Risk** – Securities regulators can impose limitations on trading activity, which may prevent a profit or increase losses to your portfolio.
- **Concentration** - A high concentration of assets in a single or small number of issuers reduces diversification and liquidity within a portfolio and may increase its volatility.
- **Cyber security risk** – Investment advisers have become potentially more susceptible to operational risks through breaches in cyber security with the increased prevalence in the use of technology for business purposes. A breach in cyber security refers to both intentional and unintentional events that may cause us and/or the portfolios to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. Cyber security breaches may involve unauthorized access to our digital information systems (e.g. through “hacking” or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e. efforts to make network services unavailable to intended users).
- **External risks beyond our control** – The risk that external events beyond our control will result various unintended circumstances such as a market environment that was not anticipated which could result in losses and/or volatility to a portfolio. Such events include acts of God, pandemics, government restrictions, stock exchange or market rulings, suspension of trading, unusual market

activity, wars, strikes, or interruptions of communications, internet or data processing services.

The discussion above is general in nature and is not intended to apply in respect of your specific portfolio or personal circumstances, either of which may give rise to additional risks not set out above. Your risk profile is considered along with your investment objectives and time horizon when constructing your portfolio. Please consult your Investment Advisor/ Investment Counsellor for more information.

6.5 Borrowing to invest

You should note the specific risks inherent in borrowing money to invest. Using borrowed money to finance the investments to be made in your account involves greater risk than investments using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same, even if the value of the securities purchased declines. An investment strategy that uses borrowed money could result in far greater losses than an investment strategy that does not use borrowed money. There may also be tax consequences to you if assets in your account must be sold in order to meet any obligations to repay the borrowed money or any interest owing.

6.6 Voting client securities

We do not have voting discretion or control, for the purposes of applicable securities laws, in respect of the securities held in your Advisor Account. Accordingly, you are responsible for compliance with all securities regulatory requirements, including filings, relating to insider reporting and insider trading prohibitions.

Where economically feasible, we will file applicable class action settlement claim on behalf of our existing client accounts.

Item 7 – Client information provided to portfolio managers

This section is not applicable to clients in the Advisor Program.

The Advisor Program does not use portfolio managers. The Advisor Program is a non-discretionary advisory program where you retain the authority to make investment decisions; we do not review, select or recommend portfolio managers.

Item 8 – Client contact with portfolio managers

This section is not applicable to clients in the Advisor Program.

The Advisor Program does not use portfolio managers. The Advisor Program is a non-discretionary advisory program where you retain the authority to make investment decisions; we do not review, select or recommend portfolio managers.

Item 9 – Additional information

This section discloses additional information that is material to your evaluation of our advisory business or the integrity of our services to you.

9.1 Disciplinary information

Registered investment advisers are required to disclose legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our services to you.

RBC PC USA and our management personnel have no reportable disciplinary event to disclose.

9.2 Other financial industry activities and affiliations

RBC PC USA sponsors other wrap fee programs. For more information, contact your Investment Advisor/Investment Counsellor to request copy of the other wrap fee brochure.

As indicated under Item 4, RBC PC USA is an indirect wholly owned subsidiary of RBC. In addition to RBC PC USA, the following companies are affiliates of RBC:

- Entities registered under applicable U.S. securities legislation:
 - Bluebay Asset Management LLP
 - RBC Capital Markets, LLC
 - RBC Global Asset Management (U.S.) Inc.
 - RBC Global Asset Management (UK) Limited
- Entities registered under applicable Canadian securities legislation:
 - Bluebay Asset Management LLP
 - Phillips, Hager & North Investment Funds Ltd.
 - RBC Dominion Securities Inc.
 - RBC Global Asset Management Inc. (“RBC GAM”)
 - RBC Phillips, Hager & North Investment Counsel Inc. (“RBC PH&N IC”)

- Entities registered under applicable U.K. securities legislation: BlueBay Asset Management LLP. and RBC Global Asset Management (UK) Limited.
- Entity registered under applicable Australian and Cayman Islands securities legislations: RBC Capital Markets, LLC.
- Entity registered under applicable Cayman Islands, Bahamian and Barbadian securities legislation: RBC Dominion Securities Global Limited.
- Entity registered under applicable Guernsey and Jersey securities legislation: Royal Bank of Canada (Channel Islands) Limited.

In addition, RBC PC USA is an affiliate of The Royal Trust Company, Royal Trust Corporation of Canada and RBC Wealth Management Financial Services Inc., which are wholly owned subsidiaries of RBC.

Material Relationships and Arrangements with Related Persons

RBC PC USA obtains trade execution, product selection, and other services for your account from affiliated portfolio managers, RBC GAM, and affiliated dealers, RBC DS and RBC DS Global. In providing such services, these affiliates are contractually and ethically bound to carry out their duties honestly and in good faith, and in the best interests of clients. They are also bound to exercise the degree of care, diligence and skill that a reasonably prudent person or portfolio manager, as applicable, would exercise in comparable circumstances. RBC PC USA obtains from RBC and its subsidiaries, management, administrative, back office, referral or other services in connection with its

ongoing business. For instance, RBC DS is the custodian for your account.

Further, certain directors and officers of RBC PC USA are also directors and officers of one or more of the registrants listed above. Investment Counsellors and Investment Advisors with RBC PC USA are also registered with another related registrant and provide services to clients of that registrant. These relationships are subject to legislative and regulatory restrictions on dealings between related registrants and/or individuals that are dually registered with registrants. These restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. RBC PC USA has also adopted internal policies and procedures that supplement these restrictions, including policies on privacy and confidentiality of information, broker allocation and fair allocation of investment opportunities. Information concerning related advisors can be found on Schedule D of Form ADV Part 1 for each of RBC PC USA’s registered advisory affiliates.

The relationships with related companies are subject to legislative and regulatory restrictions on dealings between related registrants and/or individuals that are dually registered with registrants. These restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. RBC PC USA has also adopted internal policies and procedures that supplement these restrictions, including policies on privacy and confidentiality of information, broker allocation and best execution. The underwriting and investment banking activities of our Participating Affiliate, RBC DS, are operated on a separate and distinct basis from the business of

RBC PC USA pursuant to Information Barriers and Privacy Policies adopted by the members of the RBC.

9.3 Related and Connected Issuers

Sometimes we trade in or advise clients about securities and investment products (i.e. guaranteed investment certifications, high interest savings accounts) of issuers to which we or certain other parties related to us, is related or connected:

- An issuer of securities is “related” to us if, through the ownership of, or direction or control over voting securities,
- we control that issuer,
- that issuer controls us, or
- the same third party may control both the issuer and us.

RBC is a reporting issuer under applicable securities laws and is a related issuer to RBC PC USA. It is expected that RBC or an affiliate has a controlling influence in the investment funds to which it provides seed capital from time to time.

An issuer is “connected” to us if, due to indebtedness or other relationships, a reasonable prospective purchaser of securities of the connected issuer might question our independence from the issuer.

We will ensure that any dealings in securities or investment products of related or connected issuers in your account will comply with the investment objectives, guidelines, restrictions and other applicable provisions of your Client Account Agreements and investment policy statement.

Recommending that you buy or sell securities or investment products in which we or a related person has some financial interest create a conflict between our and our affiliates’ financial interest and your interest in buying or selling a particular security or investment product. We have an obligation to put the interest of our clients ahead of our own and our affiliates’ interest, and have adopted policies and procedures that help identify and manage potential conflicts of interest arising from recommending and

investing clients in related and connected issuers.

9.4 Trading in your account

Investment Advisors or Investment Counsellors will, based on your instructions, arrange for execution of the transactions in your account through our affiliates who will act as your agent for buying, selling and generally dealing in securities for you. Securities transactions for your account will be effected using various broker-dealers, as determined by RBC PC USA from time to time, consistent with the duty to seek best execution for our clients.

Purchases and sales of all securities for your account, except for certain fixed income securities, are executed by non-affiliated brokers. However, an affiliated broker may end up on the other side of the transaction, as agent or principal, as a result of the automated systems of the Canadian marketplaces which match trades on an automated basis and neither we, nor our affiliates, have any knowledge or control over which orders are matched. Purchases and sales of fixed income may be made by our affiliate RBC DS acting as a principal (i.e. buy securities from you or sell securities to you for or from its own account), in which case RBC DS will charge you its customary institutional rate mark-up on the security. With respect to securities transactions effected through RBC DS acting as your agent, you authorize the aggregation of contemporaneous purchase or sell orders for the same securities with orders of other customers in accordance with applicable legal and regulatory guidelines.

In connection with seeking to achieve best execution, our policy is that primary consideration will be given to obtaining the best possible results (including applicable costs) for clients and efficient execution of each transaction.

9.4.1 Principal trades and cross-trades

Principal trades are prohibited for Fixed Income outside of exceptional circumstances. For example, if purchasing new issue Guaranteed Investment Certificates, the order may be filled through the inventory of our affiliate, RBC

DS.

Cross-trades of the same security held in a portfolio and/or by us are prohibited.

9.5 Code of ethics

We have adopted a Code of Ethics, which is comprised of the RBC Code of Conduct and policies pertaining to Personal Trading, Privacy, Gifts and Entertainment, Conflicts of Interest & Outside Activities and Insider Trading. Copies of these will be provided upon request.

Our Compliance Manual requires that in advising clients with respect to securities of parties related to us: (i) we will deal fairly, honestly and in good faith with our clients; (ii) we will maintain operational and decision-making autonomy; and (iii) investment decisions will be made on the basis of the business judgment of the responsible Investment Counsellors and Investment Advisors uninfluenced by considerations other than the interests of clients. We may purchase securities of persons related to us for client accounts. Any such transactions will adhere to all applicable laws and regulations.

9.6 Personal trading

Employees must conduct their personal trading responsibly and in such a manner that does not, (i) take advantage of material information about a listed issuer that has not been disclosed to the public or, (ii) place their own interests ahead of the interests of clients.

To prevent potential conflicts of interest, we monitor and control personal trading by employees who have access to information about actual and proposed trades for client portfolios. Trade orders on behalf of clients will have priority in normal order flow and will rank ahead of any employee trading.

We prohibit improper use of confidential information, or of any inside information not publicly disclosed, for personal gain or for the benefit of another person.

9.7 Account review procedures and client reporting

Investment Advisors/Investment Counsellors are responsible for reviewing portfolios under their administration on an ongoing basis. The Branch Director supervising your Investment Advisor/Investment Counsellor, conducts various daily and monthly trade reviews to ensure investments made in your portfolio(s) are suitable. In addition, from time to time, Branch Directors and other senior management may also be involved in the above mentioned reviews of your portfolio.

We will provide you with a quarterly portfolio review that will list at a minimum, the market value of your investments, performance and asset mix of your portfolio. We will also provide you with an account based performance report and a charges and compensation report annually. In addition, your custodian, RBC DS, will provide you with a custodial statement at least quarterly and monthly if there has been activity in your portfolio and it will list your holdings, the market value of your investments as at the end of the period and transaction activity in your portfolio during the period. If you have retained a custodian

other than RBC DS, your chosen custodian must provide you with separate reporting, on a quarterly basis, at a minimum.

9.8 Client referrals and other compensation

This section provides information on the arrangements if we engage in arrangements to receive economic benefits from non-clients for providing investment advice or other advisories to our clients or to compensate any person who is not our supervised person for client referrals.

You may have been referred to RBC PC USA by our affiliates, Royal Bank or RBC Royal Mutual Funds Inc. ("RMFI"), because of your need for investment management products or services. An employee of RBC and/or RMFI, specifically an Investment and Retirement Planner ("IRP"), Financial Planner ("FP") or Private Banker may have referred you to RBC PC USA because of your need for services we can provide you.

If you have been referred to us by an IRP, FP or Private Banker, RBC PC USA will pay RBC a referral fee of 25% of the actual first year revenue in connection with your account.

RBC and RMFI may share a portion of any referral fee that it receives from us with individual representatives of RBC and RMFI, including the individual who referred you to us. The payment of any referral fee will not increase the fees you pay to us for your RBC PC USA account.

RBC or RMFI will disclose the existence of the referral arrangement with you at the time of the referral.

Referral arrangements will be in compliance with Rule 206(4)(3) under the Advisers Act. This Rule permits an investment adviser that is registered under the Advisers Act to pay "cash" fees, directly or indirectly, to a "solicitor" with respect to "solicitation activities".

9.9 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. In addition we have not been the subject of a bankruptcy proceeding during the past 10 years.

If you have any questions about the information contained in this brochure, or any other questions about your account, your Investment Advisor/Investment Counsellor would be pleased to assist you.



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Management