

RBC Private Counsel (USA) Inc.

Client Brochure

Individually Managed Accounts

January 26, 2021

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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 416-956-9606. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

RBC Private Counsel (USA) Inc. is a 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
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Item 2 – Material changes

This Client Brochure (“Brochure”), dated January 26, 2021, has been prepared in accordance with regulatory requirements. Material changes to the Brochure since the last annual update made on January 28, 2020 are as follows:

Item 4 Advisory Business - The section on Assets Under Management has been updated to reflect total client assets under our management as at October 31, 2020.

Item 5 – Fees and Compensation has been updated to remove the ability to charge a minimum annual fee and to add references to a discount on passive investments.

Item 7 Types of Clients – updated to clarify that generally, the minimum investable assets per client relationship is CDN \$1,000,000, across one or more accounts.

RBC PC USA will provide you with a copy of the new Brochure without charge, upon request to your Investment Counsellor.

This Brochure is also available on the SEC’s website, www.adviserinfo.sec.gov.

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Item 4 - Advisory business

This section provides a general description of our firm, ownership structure, and the types of advisory services we offer to our clients.

General description and ownership

This Brochure describes the investment advisory services offered for individually managed accounts by RBC Private Counsel (USA) Inc. ("RBC PC USA", "we" or "us") to its clients resident in the U.S. ("you" and "your").

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").

Use of participating affiliates

In order to provide the investment advisory services to you, we have entered into service arrangements with our Canadian affiliates (each, a "Participating Affiliate") that allow us to utilize their facilities, services and other investment management capabilities, including personnel, such as Investment Counsellors, in rendering advice to our clients.

Our Participating Affiliates, RBC Phillips, Hager & North Investment Counsel Inc. ("RBC PH&N IC") and RBC Global Asset Management Inc. ("RBC GAM"), provide services related to our individually managed accounts. Both entities are Canadian corporations that are registered as advisers under the category of "portfolio manager" with the securities authorities in all provinces and territories of Canada.

Although the Participating Affiliates 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 to other advisers, we make use of their services and other management capabilities, including personnel.

Advisory personnel

In advising our clients, we seek to provide, directly and indirectly (through the use of RBC PH&N IC or RBC GAM) professional investment advice. To this end, we and our Participating Affiliates employ only experienced and

qualified personnel to ensure our clients are given the best investment advice possible.

Our Investment Counsellors are accredited professionals in investment industry and typically hold the Chartered Financial Analyst (CFA) designation, in combination with one or more professional degrees. Each Investment Counsellor is supported by a Private Client Administrator, who ensures the timely and effective administration of your account, including the processing of trades and cash management transactions, and the generation of detailed reports to keep you well informed about your investment portfolio.

In many cases, your investment counselling team also includes an Associate Investment Counsellor who typically works with you and your Investment Counsellor in developing your investment strategy and acts as a point of contact regarding your investments.

Supporting your investment counsellor

Your Investment Counsellor is supported by a breadth of resources in designing and implementing your personal investment strategy, including tax, trust and estate planning as well as private and commercial banking.

RBC GAM is the asset management division of RBC. RBC GAM group of companies manages approximately Cdn \$500 billion in assets and have employees located across Canada, the United States, Europe and Asia.

As a participating affiliate of RBC PC USA, RBC GAM provides RBC PC USA with investment management services, asset allocation advice, capital markets outlook and trading.

RBC Global Wealth Services' Global Manager Research Team conducts in-depth searches of external asset managers across the globe to help us keep abreast of opportunities and trends. They are also responsible for ongoing on-site manager due diligence and monitoring of the external asset managers.

The Portfolio Risk Group monitors each portfolio for alignment with your Investment Policy Statement and RBC PC USA's investment management guidelines.

Types of advisory services

We provide discretionary investment management services to clients using a multi-manager, multi-asset-class approach that provides a range of strategies and investment vehicles to ensure the appropriate

diversification of investments.

Constructing and managing your portfolio

After gaining a comprehensive picture of all aspects of your financial life, our Investment Counsellors create a personal investment strategy designed to meet the needs of you and your family.

Through our in-depth client discovery process, our Investment Counsellors develop a deep understanding of your specific circumstances to identify your retirement, tax and estate planning needs and to uncover unique opportunities to build and protect your wealth. They will also help you articulate your unique investment objectives and risk tolerance – prerequisites for creating an appropriate investment strategy. You may impose reasonable restrictions on management of your accounts, including restrictions on particular securities and types of investments, provided RBC PC USA can accept those restrictions. Any such restrictions will be reflected in your Investment Policy Statement.

Once your customized strategy is designed to meet your needs, your Investment Counsellor then constructs your personal portfolio and thereafter continually monitors your portfolio to ensure it is in line with your overall wealth management strategy and reflects both changing market conditions and your changing needs.

In managing your portfolio, RBC PC USA utilizes both internal money managers through RBC GAM and specialized third-party money managers worldwide who typically deal exclusively with institutional and high-net-worth private clients. The investment managers include selected investment specialists from a variety of external investment firms as well as experts from within RBC. They are responsible for providing investment information on specific investment mandates developed for each asset class.

Assets under management

As at October 31, 2020, total client assets under our management are as follows:

Discretionary:	US \$3.45 Billion
Non-discretionary:	US \$0.17 Billion
Total:	US \$3.62 Billion

Item 5 – Fees and compensation

This section provides information on the fees you pay and how we are compensated for our advisory services.

Investment management fees

The Investment Management Fee is comprised of:

- Base Management Fee - determined on the basis of certain asset thresholds in your portfolio, as disclosed to you by RBC PC USA from time to time;

Standard fees	Annual Investment Management Fee Rate
First Cdn \$2,000,000	1.10%
Next Cdn \$3,000,000	0.65%
Next Cdn \$10,000,000	0.50%
Next Cdn \$50,000,000	0.35%
Over Cdn \$65,000,000	0.20%

- Additional Costs - applied to certain specialty assets to the extent such assets are held in your portfolio;

	Annual Additional Costs
Specialty fixed income	
Other fixed income assets	0.40%
Specialty equity	
Canadian equity assets	0.20%
U.S. equity assets	0.30%
International & Global equity assets	0.40%
Other equity assets	0.65%
Specialty alternatives	
Alternatives category 1	0.60%
Alternatives category 2	0.75%

The rates indicated above are applied in addition to the base management fee due to higher manufacturing and servicing costs incurred by RBC PC USA in respect of Specialty Assets. For a list of the Specialty Assets, please refer to Schedule C of the Client Account Agreement, or contact your Investment Counsellor.

- ARF 'Series O' Management Fee - A separate fee of 1.25% will be applied in respect of the 'Series O' Phillips, Hager & North Absolute Return Fund ("ARF"). This fee is due to higher manufacturing and servicing costs incurred by RBC PC USA for this product. The value of 'Series O' ARF is excluded from the value of assets used in the calculation of the base management fee.

Discounts on Passive Assets. Discounts will be applied to certain passive assets ("Passive Assets") set out below to the extent such assets are held in your accounts. The maximum

allowable annual discount that may be applied to your accounts is \$25,000 (with a maximum of 1/12 of that amount being discounted monthly).

Passive Assets	Annual Discount
Passive fixed income	-0.05%
Passive equity	-0.10%

The rates indicated above are applied as a discount to the base management fee due to lower costs incurred by RBC PC USA in respect of Passive Assets. A list of Passive Assets can be found in Schedule C of the Client Account Agreement, or contact your Investment Counsellor.

The investment management fees include portfolio management, reporting and administration. The investment management fees are negotiable and may vary from the schedules above.

Calculation and disclosure
We calculate your investment management fees monthly, in arrears, based on the composition and market value of your portfolio or Household Portfolio (as such term is defined in your RBC PC USA Client Account Agreements) as at the last business day of the previous calendar month, and automatically debit your account(s) or provide you with an invoice for fees incurred, depending on your specific arrangements. Fees are subject to taxes, as applicable.

If for any reason the investment advisory relationship is terminated as of any date other than the last business day of the applicable payment period, a pro rata fee will be charged based on the ratio that the number of days for which investment advisory services were rendered bears to the total number of days in that payment period.

The basis for fees may be changed immediately upon notice to you resulting from a change in your Investment Policy Statement affecting the investment vehicles used to construct your portfolio. In addition, the basis for fees may be changed upon providing you with sixty (60) days prior written notice.

Custody fees

Royal Trust Related Fees

If your account is custodied with Royal Trust Corporation of Canada or The Royal Trust Company (collectively, "Royal Trust"), and you have signed a Royal Trust custody agreement, the following fees are payable in respect of

custody services provided to you on an ongoing basis:

	Annual Custody Fee Rate
First Cdn \$2,000,000	0.18%
Next Cdn \$3,000,000	0.10%
Next Cdn \$10,000,000	0.06%
Next Cdn \$10,000,000	0.04%
Over Cdn \$25,000,000	0.04%

Foreign exchange transactions

As applicable, Royal Trust or its affiliates enter into and settle foreign exchange transactions on behalf of your account for purposes of facilitating settlement of trades of assets in your account and to receive entitlements (including dividends, interest, etc.) from an issuer of securities. Any such transactions may be entered into with such counterparties as Royal Trust or its affiliates may choose in its or their sole discretion. The foreign currency conversion rate that appears on the account statement includes spread-based revenue ("spread") for Royal Trust, or its affiliates, as applicable, for performing this function. The foreign currency conversion rate and the spread will depend on market fluctuation as well as the amount, date and type of foreign currency transaction. In performing foreign currency transactions, Royal Trust or its affiliates act as agent or principal. The conversion of foreign currencies into Canadian dollars, U.S. dollars or other currencies is performed on the day the underlying trade is carried out, or booked, or the entitlement is received. Royal Trust or its affiliates may use a different day for mutual fund transactions or other transactions if Royal Trust or its affiliates deem it necessary.

Non-Royal Trust Related Fees

If your account is held in custody with a custodian other than Royal Trust, separate custody fees apply if charged by such other custodian.

Other fees

Services other than those listed above may be subject to an additional charge on a fee for service basis. Brokerage commissions are not included in the above fee disclosure but are incurred on trades at institutional rates. Refer to Item 12 for additional information about our brokerage practices. If you hold a portion of your portfolio in funds or pools, assets invested in the funds or pools are applied to the fee schedule set out above. Operating expenses and other costs of a fund or pool, inclusive of applicable taxes, are paid by the fund or pool, or the manager of the fund or pool as described in the simplified prospectus of the fund or pool.

Item 6 – Performance-based fees and side-by-side management

This section indicates that we do not use a performance-based fee structure.

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 5 above,

our investment management fees are based on the month-end market value of your portfolio or Household Portfolio.

Item 7 – Types of clients

This section provides a description of the types of clients to which we generally provide investment advice.

Our clients are individuals and families who typically have investable assets of Cdn \$4 million or more, business owners and their companies, foundations and not-for-profit organizations seeking discretionary investment

management. Frequently, our clients are former Canadian residents that have relocated to the U.S. or existing U.S. residents that have dealings through one of our Canadian affiliates and seek discretionary investment

management services.

Generally, the minimum investable assets per client relationship is CDN \$1,000,000, across one or more accounts.

Item 8 – Methods of analysis, investment strategies and risk of loss

This section provides a general description of the methods of analysis and investment strategies that we use in formulating investment advice or managing assets, and the risk of loss involved when you invest in securities.

Methods of analysis

In formulating investment advice and managing assets in client accounts, our Investment Counsellors use various methods of analysis, including, but not limited to:

- A deep understanding of each client's goals and objectives together with their relative comfort with the risks of investing.
- Utilizing multiple asset classes and combinations of top tier managers to maintain well diversified portfolios.

Investment strategies

The investment strategies and asset mix used in the construction of your portfolio may include cash equivalent, fixed income, equity and alternative investments. The strategy used for your portfolio is described in your Investment Policy Statement and is based on information you provided to us and from our discussions about your investment objectives and risk tolerance.

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, such as, 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 mitigate risk.

The following are some of the risks of which you should be aware:

- **Market Risk** – 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.
- **Interest Rate Risk** – the risk that a change in interest rates will impact the returns on interest rate-sensitive investments, such as bonds and mortgage-related securities. Generally, rising interest rates result in a decline in asset prices.
- **Political Geographic Risk** – The risk that policies or instability in a region or nation will impact performance.
- **Purchasing Power or Inflation Risk** – 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.
- **Credit or Company Specific Risk** – This encompasses risks generally associated with individual companies.

- **Sector Industry Risk** – This encompasses risks associated with a particular sector or industry (e.g. technology)
- **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 money.
- **Capital Markets Risk** – Securities regulators can impose limitations on trading activity, which may prevent a profit or increase losses to your portfolio.
- **Concentration Risk** – A high concentration of assets in a single or small number of issuers reduces diversification and may increase a portfolio's volatility.

The discussion and examples provided above are general in nature and may not 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 tolerance is considered along with your investment objectives and time horizon when constructing your portfolio and when investments are made on your behalf. Please consult your Investment Counsellor for more information.

Item 9 – Disciplinary information

This section discloses legal or disciplinary events that are material to your evaluation of our advisory business or the integrity of our management.

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

Item 10 – Other financial industry activities and affiliations

This section provides a general description of any relationship or arrangement that we have with related persons which is material to our advisory business or to you. We identify if any of these relationships or arrangements create a material conflict of interest with clients and discuss how we address these conflicts.

Related persons

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 Phillips, Hager & North Investment Counsel Inc.
- Entities registered under applicable U.K. securities legislation: BlueBay Asset Management LLP and RBC Global Asset Management (UK) Limited.
- Entity registered under applicable Australian securities legislation: RBC Capital Markets, LLC
- Entity registered under applicable Cayman Islands, Bahamian and Barbadian securities legislation: RBC Dominion Securities Global Limited.

RBC also holds a non-controlling interest in O'Shaughnessy Asset Management, LLC.

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 portfolio management, trade execution, product and manager selection, and other services for your account from affiliated portfolio managers, RBC GAM and RBC PH&N IC, and an affiliated dealer, RBC Dominion Securities Inc. ("RBC DS"). In providing portfolio management and trade execution services, these affiliates are contractually 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.

In providing discretionary investment management services, RBC PC USA is responsible for:

- the advice that it receives from the affiliates, and
- losses you incur that arise out of the failure of an affiliate to meet the applicable standard of care.

Our affiliates sponsor or manage Canadian pooled investments that may be transferred into our clients' portfolios and model portfolios that we may select for our clients. RBC PC USA will pay a fee to an affiliated sub-advisor for managing a model portfolio and a pooled fund. An Investment Counsellor's decision to select a specific model portfolio or a pooled fund for a client must not be influenced by any factors other than the best interest of that client and must be consistent with the investment objectives, guidelines, restrictions and other applicable provisions of the client's Investment Policy Statement and Client Account Agreements.

RBC PC USA also obtains from, RBC and its subsidiaries management, administrative, back office, referral or other services in connection with its ongoing business. For instance, Royal Trust will be the custodian for your account, unless you have made specific arrangements for custody of 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 with RBC PC USA are also registered with RBC PH&N IC, another related registrant, and provide services to clients of RBC PH&N IC. 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.

Item 11 – Code of ethics, participation or Interest in client transactions and personal trading

This section provides an overview of our Code of Ethics. We also outline the circumstances where we recommend, buy or sell securities for client accounts in which we (or a related person) have material financial interest and discuss how we address the material conflicts of interest that may arise.

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 uninfluenced by considerations other than the best interests of clients. We purchase securities of related and connected issuers of ours for client accounts. Any such transactions adhere to all applicable laws and regulations.

Related and connected issuers

Sometimes we trade in or advise clients about securities 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 of ours. 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 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 creates a conflict between our and our affiliates’ financial interest and your interest in buying or selling a particular security or investment product. We have a fiduciary 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.

To view a current list of all related issuers of RBC PC USA, please refer to the following website: www.rbcphnic.com/issuers-disclosures or contact your Investment Counsellor.

Personal trading

To prevent potential conflicts of interest, RBC PC USA monitors and controls personal trading by employees who have access to information about proposed trades for client portfolios.

Our employees who wish to buy or sell certain securities for their personal accounts must first obtain permission of a designated approver, who will grant permission only where there is no potential conflict with client trading. RBC PC USA prohibits improper use of the confidential information, or of any inside information not publicly disclosed, for personal gain or for the benefit or another person. A breach of these prohibitions is grounds for dismissal by RBC PC USA.

Item 12 – Brokerage practices

This section of the brochure contains information about our brokerage practices, including the selection of broker-dealers and commission rates.

Selection of brokers

Our process for selecting brokers is based on a number of factors including the broker's financial stability, operational capabilities, transaction costs, prior experience and ability to execute transactions in a timely and efficient manner.

RBC GAM traders are responsible for the selection of the broker best suited for a particular transaction taking into consideration; size of the order, type of transaction, complexity, prior experience of the broker in effecting transactions of a specific type, approved brokers and specified limits pre-determined by us in consultation with RBC GAM and, any order restrictions placed on them by an Investment Counsellor at the time an order is placed.

Our policy is that primary consideration will be given to obtaining the most favourable prices and efficient execution of each transaction.

Research and other soft dollar benefits

We do not have soft dollar arrangements with brokers in respect of any of our client trading.

Directed brokerage

We do not permit directed brokerage.

Aggregation and allocation of orders

In the course of managing discretionary accounts, Investment Counsellors across Canada send purchase and sale orders for securities held in those accounts to the applicable trade processing desk. Trade orders for RBC PC USA's client accounts are bundled periodically throughout each day, and each batch is then processed for execution with selected brokers/dealers. Each batch of a particular security bought or sold will carry the same average price and commission.

Sometimes the quantity of a security available at one price is insufficient to satisfy the requirements of every account, or the quantity of a security to be sold is too large to be

completed at one price. Similarly, new issues of a security may be insufficient to satisfy the orders of all accounts.

When these events arise, RBC PC USA allocates, insofar as possible, the purchases or sales on a pro rata basis among accounts in proportion to the proposed requirements for purchases or holdings for sale. If this is impossible, RBC PC USA will allocate the securities among client accounts in a fair manner, on a best efforts basis. If a batch of securities in this situation is processed for execution at several times during the same business day, the price and commission will be averaged for those trades during that business day. Where it is impossible even to ensure complete fairness, every effort will be made to compensate at the next opportunity so that every account, large or small, over time, receives equitable treatment in the filling of orders. While RBC PC USA will use its best efforts to allocate opportunities, RBC PC USA cannot assure, and assumes no responsibility for, equality among all accounts and clients.

Item 13 – Review of accounts

This section describes the frequency and nature of review of client accounts.

Account review procedures

Investment Counsellors are responsible for reviewing accounts under their management on an ongoing basis. Portfolio Risk Advisors ("PRAs") in the Portfolio Risk Group review trade exception reports and follow up with the Investment Counsellors to ensure identified items are addressed. In addition, the PRAs review on a periodic basis all portfolios against the Investment Policy Statement and internal investment management guidelines. Variables

considered in the review process: asset mix, income need, diversification, security quality and performance. In addition, from time to time, Managing Directors may also be involved in the above mentioned reviews of your account.

Client reporting

RBC PC USA will provide you with a quarterly portfolio review that will list your holdings, the market value and the position of your investments, transactions,

Performance and fees in your account. In addition, if you have retained Royal Trust as your custodian, it will provide you with a custodial statement quarterly or monthly, depending on your preference. Year-end tax information will also be reported to you by Royal Trust. If you have retained a custodian other than Royal Trust, your chosen custodian must provide you with separate reporting, on a quarterly basis, at a minimum. Refer to Item 15 for additional information about custody.

Item 14 – 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.

We have not entered into referral arrangements. Should we enter into a referral arrangement; all payments 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”.

We do not pay referral fees to employees of our affiliates for client referrals.

Item 15 – Custody

This section provides general information on the account statements that clients receive from us or from a qualified custodian.

Clients must appoint a qualified custodian to have custody of client funds and assets. Typically, clients of RBC PC USA appoint Royal Trust as the custodian. Where clients seek to appoint another qualified custodian,

such requests are reviewed and considered on a case by case basis.

Both RBC PC USA and your custodian send periodic account statements. We urge you to review and compare these account statements

to verify accuracy. You should contact your Investment Counsellor if you have any questions about your accounts.

Item 16 – Investment discretion

This section describes the procedures that our firm follows before we accept discretionary authority to manage securities accounts on behalf of our clients.

Prior to RBC PC USA assuming discretionary authority over an account, clients must enter into a written agreement with RBC PC USA. The terms of the agreement are set out in the RBC PC USA Client Account Agreements. By signing the account application form, you grant RBC PC USA discretionary authority to manage your securities account and all investments without prior consultation with you. Our discretionary authority is governed by the terms of the Client Account Agreement, and includes the Investment Objectives in the Investment Policy Statement and written instructions you may deliver to RBC PC USA.

You may limit or restrict allocation to certain asset classes, types of securities or specific issuers, in addition to any other investment restrictions or requirements. For further information, please refer to Item 4 – Advisory Business, section called Constructing and Managing Your Portfolio.

Item 17 – Voting client securities

This section describes our voting policies and procedures.

We have retained an independent, external service provider to vote client proxies in accordance with pre-determined guidelines, subject to our ability to override recommendations in appropriate cases. Proxies are voted in the best interest of our clients. In any case where we have a conflict of interest in the outcome of a vote, we

will not influence or otherwise interfere with our service provider's proxy voting recommendations. Voting records and a copy of the Policy will be provided to clients on request. Should clients wish to provide specific voting instructions, they may contact their Investment Counsellor.

Since we have discretionary authority over our clients' portfolios, where economically feasible, we will file applicable class action settlement claims on behalf of our existing client accounts.

Item 18 – Financial information

This section describes our firm's practice with respect to prepayment, provides information on any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients, and disclose whether our firm has been the subject of a bankruptcy petition during the past ten years.

We are not required to include a balance sheet in this brochure because we do not require or solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance.

We do not have any financial conditions that are reasonably likely to impair our ability to meet our contractual commitments to clients.

RBC PC USA has not been subject of a bankruptcy petition during the past 10 years.



**Wealth
Management**

RBC Private Counsel (USA) Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Global Asset Management Inc., RBC Dominion Securities Inc.* , RBC Dominion Securities Global Limited, Royal Trust Corporation of Canada, The Royal Trust Company and Royal Bank of Canada are separate legal entities that are affiliated. RBC Private Counsel (USA) Inc. is a member company of RBC Wealth Management, a business segment of Royal Bank of Canada. *Member-Canadian Investor Protection Fund. ® / ™ Trademark(s) of Royal Bank of Canada. Used under license. © 2021. All rights reserved. (01/2021)