



Advisory Brochure

Part 2A of Form ADV

RBC Global Asset Management (UK) Limited

29 January, 2021

This brochure provides information about the qualifications and business practices of RBC Global Asset Management (UK) Limited (“RBC GAM-UK”). If you have any questions about the contents of this brochure, please contact us at +44 (0) 20 7653 4000. 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 GAM-UK is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about RBC GAM-UK also is available on the SEC’s website at www.adviserinfo.sec.gov.

RBC Global Asset Management (UK) Limited

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Item 2 - Material Changes

The following is a summary of the specific material changes to the Brochure since our initial Brochure in connection with our registration with the SEC as an investment adviser, effective as of September 11, 2013:

29 January 2021 – Annual update, updates to Investment Strategies and the Fee Schedule, adding details in relation to Emerging Markets Equity Focus, Global Equity Fossil Fuel Free, US Equity Focus, Emerging Markets ex-China, International Small-Cap Equity, Asia ex-Japan and China Equity. Clarification language on proxy voting service providers added to item 17.

31 January 2020 – Annual update; updates to the Fee Schedule Appendix

01 July 2019 – change of address.

29 January 2019 – Annual update; updates to Investment Strategies and the Fee Schedule Appendix

26 January 2018 – Annual update; updates to Investment Strategies, Brokerage Practices, Review of Accounts sections and the Fee Schedule Appendix.

27 January 2017 – Annual update; updates to Other Financial Industry Activities and Affiliations Brokerage Practices, Custody, and Voting Client Securities sections

29 January, 2016: Annual update; updates to Voting Client Securities; update to risk disclosures in Methods of Analysis, Investment Strategies and Risk of Loss; new Fee Schedule Appendix.

29 January, 2015: Annual update; update to Brokerage Practices; new investment strategy is added (International Equity)

29 January 2014: Annual update; new investment strategy is added (Global Equity)

2 October 2013: Clarifying changes regarding our affiliates, as well as our operations, investment strategies and brokerage practices.

RBC Global Asset Management (UK) Limited will provide our clients with a new Brochure as necessary based on changes or new information. This Brochure is also available on request at any time, free of charge.

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Item 4 - Advisory Business

Firm Overview

RBC Global Asset Management (UK) Limited (“RBC GAM-UK”) was formed in October 1998 under the laws of the United Kingdom (“U.K.”) and is a wholly owned direct subsidiary of Royal Bank of Canada Holdings (U.K.) Limited, a company formed in the U.K. and which is a wholly-owned subsidiary of the Royal Bank of Canada (“RBC”). RBC is publicly held and traded on the New York Stock Exchange and Toronto Stock Exchange.

RBC GAM-UK is also a part of RBC Global Asset Management (“RBC GAM”), the asset management division of RBC, which includes but is not limited to RBC GAM-UK, RBC Global Asset Management Inc., RBC Global Asset Management (U.S.) Inc., and BlueBay Asset Management LLP, which are separate but affiliated corporate entities.

RBC GAM operates as a global firm and leverages the talent and investment capabilities across RBC GAM to create solutions for its clients. We are providing this Brochure to persons who receive or who may receive investment advisory services from RBC GAM-UK in order to ensure compliance with the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

Who regulates us?

The Financial Conduct Authority (“FCA”) is the independent body that regulates financial services in the U.K.

RBC GAM-UK is authorized and regulated by the FCA pursuant to the U.K. Financial Services and Markets Act 2000 to carry on investment management business in the U.K.

Additionally, RBC GAM-UK is registered as an Investment Advisor with the U.S. Securities and Exchange Commission (“SEC”) pursuant to the Advisers Act.

Such registrations in no way imply that either the SEC or the FCA has reviewed or approved the investment services described in this Brochure.

Advisory Services

RBC GAM-UK provides equity and fixed income solutions to a broad range of institutional clients through the following vehicles:

- Institutional separate accounts (“Separate Accounts”)
- Open-ended investment companies
- Other pooled vehicles (such as private funds, collective trusts, and comingled funds)
- Model portfolios.

Discretionary Investment Management

Separate Accounts

RBC GAM-UK provides discretionary investment management solutions to clients in the form of Separate Accounts. Fees and services for each arrangement are individually negotiated. Separate Account clients may impose restrictions on investing in certain securities or types of securities if those restrictions are consistent with the strategy’s investment style and process. These restrictions are specified in each client’s written investment management agreement, investment policy or other

governing document. The fees for each arrangement are generally based upon a percentage of assets under management. For additional information on fees, refer to Item 5.

Mutual Funds and Other Pooled Investment Vehicles ("Funds")

RBC GAM-UK currently serves as an investment adviser or sub-adviser to certain affiliated and unaffiliated Funds. In connection with its advisory services to a Fund, RBC GAM-UK or its related persons providing services to a Fund may receive advisory, management, administration, co-administration and/or distribution fees from the Fund and/or from investment advisers to the Fund. Clients should carefully review each Fund prospectus or other offering documents for more detailed information regarding a Fund advised or sub-advised by RBC GAM-UK.

Non-discretionary advisory services

RBC GAM-UK may provide non-discretionary investment advisory services (such as model portfolios) to clients. The fees and services for any such arrangement are generally based upon a percentage of assets under management. For additional information on fees, refer to Item 5.

Assets Under Management

Discretionary	\$43,375,913,251
Non-Discretionary Investment Advisory Services (model portfolios)	\$884,801,540
Total	\$44,260,714,792

(as of 31 October, 2020)

As of 31 October, 2020, RBC GAM-UK managed approximately \$6.1 billion for U.S. clients.

Item 5 - Fees and Compensation

Details of Fees

While fees may be individually negotiated, clients will generally pay a percentage of assets under management. Fees and services may be negotiated based on factors such as client type, asset class, specific investment strategy utilized, whether a pre-existing relationship is present, portfolio complexity, account size, reporting requirements or other special circumstances or requirements. In certain limited circumstances, for eligible clients and certain strategies, fixed or performance-based fees may also be negotiated, and related accounts may be aggregated for fee calculation purposes. Some clients may pay higher or lower fees than other clients. Payment of fees may be made by direct payment or invoicing, in accordance with client preference.

An indicative schedule of fees relating to strategies actively marketed to US persons can be found in the Fee Schedule Appendix. RBC GAM-UK reserves the right to negotiate fees with individual clients.

Billing Periods

RBC GAM-UK advisory fees are generally payable monthly or quarterly in arrears or at such times as may be agreed upon by the parties involved, based upon a percentage of the market value of assets in the account on the date of valuation, the average of the market value of the assets in the account during the billing period, or the calendar quarter-end market value. If RBC GAM-UK agrees with a client that they will pay fees in advance and if the client terminates their investment advisory contract with RBC GAM-UK prior to period-end, the advisory fee will be pro-rated for the portion of the period in which the account was open, and any unused portion of any fees paid in advance will be returned to the client.

Fees may be deducted from client accounts or billed to clients separately, subject to agreement with the individual client.

Valuation/Calculation

Valuations of account assets by RBC GAM-UK are determined in accordance with RBC GAM-UK valuation procedures, which generally rely on third-party pricing sources, but may permit the use of other valuation methodologies in certain circumstances. Our valuation may differ from valuations reflected on a client's custodial statement. RBC GAM-UK and the client will agree whether the valuation used to calculate fees is based on RBC GAM-UK's valuation or the custodian's valuation. Since such valuations may differ, the client may pay more or less in fees depending on the valuation methodology utilized.

Other Fees and Expenses

Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by other managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, exchange traded funds, and other pooled investment vehicles may also charge internal management fees, which are disclosed in the prospectus or other offering document relating to the fund. Brokerage is discussed under Item 12 below.

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

RBC GAM-UK may manage multiple accounts for multiple clients with different mandates and different fee structures. The investment objectives, strategies, time horizons, tax considerations, and other investment considerations specific to a particular client account may differ from other accounts.

RBC GAM-UK generally receives an asset-based fee; however, in certain limited cases, and at the request of the client, we may enter into performance-based fee arrangements with qualified clients for our advisory services.

In measuring clients' assets for the calculation of performance-based fees, RBC GAM-UK shall include realized and unrealized capital gains and losses. Performance-based fees may create an incentive for RBC GAM-UK to make investments that are riskier or more speculative than would be the case if a performance-based fee was not charged. Performance-based fees may create an incentive to favor performance-based fee paying accounts over non-performance-based fee accounts in the allocation of investment opportunities. In these instances, our compensation may be greater than it would otherwise have been, as the fee will be based on account performance instead of, or in addition to, a percentage on assets under management.

RBC GAM-UK has procedures that are reasonably designed to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients. The inherent conflicts of interest of managing accounts with both types of fee structures are mitigated by the firm's trade allocation policies that ensure all trades are allocated in a fair and consistent manner. Refer to Item 12 for more information on allocation of investment opportunities.

Item 7 - Types of Clients

We provide portfolio management services to institutional clients, which may include corporations, public and private pension plans, governments, insurance entities, charitable institutions, foundations, endowments, and pooled investment vehicles such as registered mutual funds, private funds or non-US vehicles such as UCITS funds.

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

In providing investment management services to discretionary clients and recommendations to non-discretionary clients, individual portfolio managers may emphasize one method of security analysis over another. The primary methods of analysis we employ are fundamental analysis (i.e., the analysis and interpretation of basic company, industry and country data, including environmental, social and governance (ESG) factors)) and quantitative analysis (i.e., the analysis and interpretation of numerical, measurable characteristics). The investment teams at RBC GAM-UK are responsible for researching investment opportunities, and implementing their findings and views on specific issuers in the management of clients' portfolios

Investment Strategies

We employ various investment strategies through our investment mandates that are based on the objectives and strategies of the clients involved. Client portfolios with similar investment mandates, strategies and guidelines are generally managed similarly. A description of our significant investment strategies is provided below, although we may offer other investment management capabilities. For more information on the potential risks please refer to the Risk Disclosure Appendix.

Strategy	Material risks
<u>European Equity</u> This strategy provides exposure to both domestic Europe and global economies through investment in European domiciled companies. The investment process is primarily based on fundamental research that seeks out high return, capital light businesses that will be consistent and sustainable over time. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook, including environmental, social and governance (ESG) factors.	Active Management Risk Concentration Risk Counterparty Risk Diversification and liquidity risk Equity risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk Market Risk Smaller Company Risk Tax Risk
<u>Emerging Markets Equity</u> This strategy invests primarily in equity securities of companies located or active in emerging markets. The strategy's investment process is primarily based on fundamental research, including environmental, social and governance (ESG) factors, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.	Active Management Risk Concentration Risk Counterparty Risk Diversification and liquidity risk Emerging market risk Equity risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk Market Risk Tax Risk
<u>Emerging Markets ex-China Equity</u> This strategy invests primarily in equity securities of companies located or active in emerging markets, excluding China. The strategy's	Active Management Risk Concentration Risk Counterparty Risk Diversification and liquidity risk Emerging market risk

<p>investment process is primarily based on fundamental research, including environmental, social and governance (ESG) factors, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.</p>	<p>Equity risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk Market Risk Tax Risk</p>
<p><u>Emerging Markets Value Equity</u> This strategy invests primarily in equity securities of companies located or active in emerging markets with above average dividend yields. The investment process is primarily based on fundamental research, including environmental, social and governance (ESG) factors, although quantitative and technical factors are also considered. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.</p>	<p>Active Management Risk Concentration Risk Counterparty Risk Diversification and liquidity risk Emerging market risk Equity risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk Market Risk Tax Risk Value Investing Risk</p>
<p><u>Emerging Markets Small-Cap Equity</u> This strategy invests primarily in equity securities of small-cap companies located or active in emerging markets. The investment process is primarily based on fundamental research, including environmental, social and governance (ESG) factors, although quantitative and technical factors are also considered. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.</p>	<p>Active Management Risk Concentration Risk Counterparty Risk Diversification and liquidity risk Emerging market risk Equity risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Growth Investing Risk Investments in pooled investment funds Liquidity Risk Market Risk Smaller Company Risk Tax Risk</p>
<p><u>Emerging Markets Equity Focus</u> This strategy invests primarily in equity securities of companies located or active in emerging markets. The strategy's investment process is primarily based on fundamental research, including environmental, social and governance (ESG) factors, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.</p>	<p>Active Management Risk Concentration Risk Counterparty Risk Diversification and liquidity risk Emerging market risk Equity risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk</p>

	<p>Market Risk</p> <p>Tax Risk</p>
<p><u>Global Equity</u></p> <p>This strategy invests primarily in equity securities of companies listed on stock markets around the world. The investment process is based on fundamental research, including environmental, social and governance (ESG) factors, and aims to deliver performance through stock selection. This strategy seeks out companies the investment team considers to have strong competitive dynamics and whose prospects are not reflected in their valuation.</p>	<p>Active Management Risk</p> <p>Concentration Risk</p> <p>Counterparty Risk</p> <p>Diversification and liquidity risk</p> <p>Emerging market risk</p> <p>Equity risk</p> <p>Foreign Risk</p> <p>Foreign Currency Risk</p> <p>General Economic and Market Conditions Risk</p> <p>Political and Regulatory Risk</p> <p>Investments in pooled investment funds</p> <p>Liquidity Risk</p> <p>Market Risk</p> <p>Tax Risk</p>
<p><u>Global Equity Fossil Fuel Free</u></p> <p>This strategy invests primarily in equity securities of companies listed on stock markets around the world. The investment process is based on fundamental research, including environmental, social and governance (ESG) factors, and aims to deliver performance through stock selection. This strategy seeks out companies the investment team considers to have strong competitive dynamics and whose prospects are not reflected in their valuation. This strategy excludes companies whose business is primarily involved in the extraction, transportation or processing of fossil fuels.</p>	<p>Active Management Risk</p> <p>Concentration Risk</p> <p>Counterparty Risk</p> <p>Diversification and liquidity risk</p> <p>Emerging market risk</p> <p>Equity risk</p> <p>Foreign Risk</p> <p>Foreign Currency Risk</p> <p>General Economic and Market Conditions Risk</p> <p>Political and Regulatory Risk</p> <p>Investments in pooled investment funds</p> <p>Liquidity Risk</p> <p>Market Risk</p> <p>Tax Risk</p>
<p><u>International Equity</u></p> <p>This strategy invests primarily in equity securities of companies located in Europe, Australasia, the Far East and other regions, including emerging markets. The investment process is based on fundamental research, including environmental, social and governance (ESG) factors, and aims to deliver performance through stock selection. This strategy seeks out companies the investment team considers to have strong competitive dynamics and whose prospects are not reflected in their valuation.</p>	<p>Active Management Risk</p> <p>Concentration Risk</p> <p>Counterparty Risk</p> <p>Diversification and liquidity risk</p> <p>Emerging market risk</p> <p>Equity risk</p> <p>Foreign Risk</p> <p>Foreign Currency Risk</p> <p>General Economic and Market Conditions Risk</p> <p>Political and Regulatory Risk</p> <p>Investments in pooled investment funds</p> <p>Liquidity Risk</p> <p>Market Risk</p> <p>Tax Risk</p>
<p><u>International Small-Cap Equity</u></p> <p>This strategy provides exposure to small-cap global companies (ex US) that have a market capitalization typically below \$10bn USD. The exposures are in both Developed and Emerging</p>	<p>Active Management Risk</p> <p>Concentration Risk</p> <p>Counterparty Risk</p> <p>Diversification and liquidity risk</p> <p>Equity risk</p> <p>Foreign Risk</p>

<p>markets. The investment process is primarily based on fundamental research that seeks out high return, capital light businesses that will be consistent and sustainable over time. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook, including environmental, social and governance (ESG) factors.</p>	<p>Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk Market Risk Smaller Company Risk Tax Risk</p>
<p><u>US Focus Equity</u></p> <p>This strategy invests primarily in equity securities of companies listed on U.S. stock markets. The investment process is based on fundamental research, including environmental, social and governance (ESG) factors, and aims to deliver performance through stock selection. This strategy seeks out companies the investment team considers to have strong competitive dynamics and whose prospects are not reflected in their valuation.</p>	<p>Active Management Risk Concentration Risk Counterparty Risk Diversification and liquidity risk Equity risk Foreign Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk Market Risk Tax Risk</p>
<p><u>Global Bonds</u></p> <p>This strategy invests in debt issued by governments and corporates around the world. The strategy invests in securities that give exposure to interest rates, currencies and credit risks across developed and emerging economies.</p>	<p>Active Management Risk Concentration Risk Counterparty Risk Derivatives Risk Diversification and liquidity risk Emerging market risk Fixed-income risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Liquidity Risk Market Risk Tax Risk Issuer/Credit Risk</p>
<p><u>Asia ex-Japan Equity</u></p> <p>This strategy invests primarily in equity securities of companies located or active in the Asia ex Japan region. The strategy's investment process is primarily based on bottom up fundamental research, looking to invest in strong businesses within attractive industries, with a focus on identifying companies with strong and/or improving returns on invested capital. A strong focus is also placed on environmental, social and governance (ESG) factors, as well as a capable management team. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.</p>	<p>Active Management Risk Concentration Risk Counterparty Risk Diversification and liquidity risk Emerging market risk Equity risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk Market Risk Tax Risk</p>
<p><u>China Equity</u></p>	<p>Active Management Risk Concentration Risk</p>

<p>This strategy invests primarily in equity securities of companies located or active in China. The strategy's investment process is primarily based on bottom up fundamental research, looking to invest in strong businesses within attractive industries, with a focus on identifying companies with strong and/or improving returns on invested capital. A strong focus is also placed on environmental, social and governance (ESG) factors, as well as a capable management team. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.</p>	<p>Counterparty Risk Diversification and liquidity risk Emerging market risk Equity risk Foreign Risk Foreign Currency Risk General Economic and Market Conditions Risk Political and Regulatory Risk Investments in pooled investment funds Liquidity Risk Market Risk Tax Risk</p>
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Research Process

Our investment management teams continuously research available investment opportunities using fundamental and quantitative methods, including environmental, social and governance (ESG) factors. The portfolio managers consider the investment opportunities available and make an active investment decision focusing on each client account's needs, as reflected in each account's governing documents.

Customized Portfolios

We may customize our investment strategies to meet unique client needs, which may include a concentrated version of a strategy, a combination of two or more strategies, or a completely custom strategy.

Derivatives

If permitted by an account's governing documents, we may use derivatives in an account in order to provide a portfolio with flexibility and an increase in efficiency over what can be achieved using the cash markets. The main benefits are cash flow use, adjustment of asset mix, change in industry weights, risk reduction and enhancement of yield. Derivatives are non-cash contracts or securities that derive their value from the return on a certain asset or from the relationships among the returns of assets. Fixed income derivatives include but are not limited to futures, forwards, swaps, credit default swaps and options (listed and over the counter).

Risk of Loss and other Material Risks

While we seek to manage accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. The investment decisions we make may not produce the expected returns, may cause the portfolio to lose value or may cause the portfolio to underperform other portfolios with similar investment objectives. There is no assurance that a portfolio's objectives will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. For more information on the potential risks please refer to the Risk Disclosure Appendix.

The risks listed above and in the Risk Disclosure Appendix are not a complete list of all the risks you might incur when investing with us and we recommend that you consult your own legal, financial and tax advisers before deciding whether or not to invest.

Item 9 - Disciplinary Information

RBC GAM-UK and our management personnel do not have any reportable disciplinary events to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

As discussed in Item 4 above, RBC GAM-UK is a wholly owned direct subsidiary of Royal Bank of Canada Holdings (U.K.) Limited, which is an indirect wholly owned subsidiary of RBC. RBC has a global portfolio of companies under its control, including other investment advisers material to the investment advisory services we provide, including:

- RBC Global Asset Management Inc. (“RBC GAM-Canada”)
- RBC Global Asset Management (U.S.) Inc. (“RBC GAM-US”)
- RBC Global Asset Management (Asia) Limited (“RBC GAM-Asia”)

RBC GAM-UK does not have any relationships or arrangements with a related person that are material to its advisory business or clients other than those described below:

- Some of our directors, executive officers and employees are also directors, officers or employees of one or more affiliates. In these circumstances, the potential for a conflict of interest exists between the obligations to our clients and the incentive to take actions that benefit one or more of our other affiliates. There may also be conflicts among the affiliated entities with respect to the allocation of resources and time. We believe these potential conflicts are mitigated because our employees and those of our affiliates are subject to a Code of Conduct and various policies that require these employees to act in the best interests of our clients and to put the needs of our clients above our own.
- We serve as sub-adviser to separate accounts, private investment funds, US or non-US domiciled mutual funds and other pooled investment foreign funds such as UCITS funds for our affiliates, including RBC GAM-US and RBC GAM-Canada. Our affiliates may recommend these products to their clients. Where this occurs, other than the management fee we collect from our affiliates, we do not collect any additional fees for the sale of these funds.
- We distribute certain of our affiliates’ investment services or products, typically in the EMEA region. Where we do so, we may receive a portion of any related management fee payable to our affiliates. We have one affiliate on our list of approved broker-dealers. All broker-dealer business is carried out in accordance with our systems and controls to manage regulatory requirements and potential conflicts of interest.
- We have one affiliate on our list of research providers. All research payments are carried out in accordance with our systems and controls to manage regulatory requirements and potential conflicts of interest.
- RBC GAM-UK may delegate certain responsibilities, such as client servicing or investment management, to one or more affiliates and remunerate them accordingly, where permissible by law.
- We receive certain administrative, operational, infrastructure and technical support, compliance, legal, and marketing services from our affiliates that may be material to our advisory business.
- RBC GAM-UK relies on its affiliate, RBC GAM-Canada, to review and validate that proxy recommendations and votes from our proxy research and service provider are in line with our proxy voting guidelines. Refer to Item 17 for more information on Proxy Voting.
- In the regular course of business, RBC GAM-UK and our affiliates may invest the assets of the accounts we manage in the publicly traded securities of other clients or prospective clients. We may

also invest the assets of our client accounts in securities issued by companies that are customers of our affiliates. In such circumstances, we do not and will not receive any compensation from the issuer for investing client assets in such issuer's securities.

We do not believe these relationships create material conflicts of interest between RBC GAM-UK and our clients.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions

Code of Ethics and Personal Trading

Pursuant to regulations which are applicable to RBC GAM-UK, including the Advisers Act, we have adopted a Code of Ethics which is incorporated into our Compliance Policies and Procedures. It establishes our standards of business conduct as a fiduciary to our clients and includes or refers to other policies and procedures that outline our practices surrounding personal trading in securities, confidentiality of client information, and the misuse of non-public information.

You may obtain a copy of our Code of Ethics by contacting us at +44 (0)20 7563 4000 or by sending a request to:

RBC Global Asset Management (UK) Limited
77 Grosvenor Street
London W1K 3JR
United Kingdom

Compliance Policy and Procedures

Our Compliance Policies and Procedures require that when we advise you with respect to securities of parties related to us: (i) we will deal fairly, honestly and in good faith with you and (ii) investment decisions or recommendations will be made on the basis of the business judgment of the responsible portfolio managers uninfluenced by considerations other than your best interests. If we purchase securities of related persons, i.e., any company in the Royal Bank of Canada group of companies for your account, any such transactions will adhere to all applicable laws and regulations affecting such transactions.

Our *Gifts and Entertainment Policy* governs the acceptance and provision of gifts and entertainments to ensure RBC GAM-UK manages any real or perceived conflicts of interests with its clients.

Our employees are required to adhere to the *Personal Account Dealing Policy*. This includes the requirement for employees to obtain prior approval from designated approvers within the business as well as from the Compliance Department in order to assess any conflicts of interest before purchasing or selling certain securities. In addition, employees must report personal securities holdings at the time of hire as well as annually thereafter, confirm covered personal account transactions quarterly and attest to compliance with the Code of Ethics annually.

RBC Code of Conduct

The very essence of the financial services industry demands that RBC consistently maintains the highest possible standards of honest and ethical behavior. In keeping with this objective, RBC has described its values and standards in RBC's *Code of Conduct*. Our *Code of Conduct* is integral to the way RBC does business, providing all employees with the same frame of reference for dealing with issues that can be both sensitive and complex.

Our *Code of Conduct* is available on the RBC website (https://www.rbc.com/our-company/_assets-custom/pdf/Code-Of-Conduct.pdf) to review. A copy can also be sent to you, at your request.

Participation or Interest in Client Transactions Use of Affiliated Broker-Dealer

In certain circumstances, RBC GAM-UK may enter into investment transactions on behalf of the client in which an affiliated entity either (1) acts on a principal basis or (2) otherwise provides services for which the affiliate is compensated or otherwise financially benefits. In these situations, we will comply with all applicable rules with respect to such transactions.

We may on occasion trade on behalf of discretionary clients or recommend for advisory clients securities in situations where an affiliate is (1) underwriter, (2) remarketing agent, or (3) a liquidity provider in such transactions. The recommendation and/or purchase or sale of the securities from an affiliate involves a conflict of interest because of the services these affiliated provide with respect to the securities and their financial interest in the securities, including the compensation they receive in connection with transactions in the securities. We have adopted policies and procedures in order to mitigate these conflicts of interest and obtain specific client consent where required by law or regulation. In addition, prior to engaging in any affiliated trade, we will review the transaction to ensure that it is in the best interests of the client, considering factors such as our best execution obligation, and any additional compensation that may be received by the affiliate prior to the recommendation of the transaction.

Cross transactions

From time to time, we may effect cross transactions between advisory clients that are not employee benefit plans governed by ERISA or proprietary accounts. We will not receive any compensation for effecting a transaction between advisory clients. The desire to liquidate, change asset allocation, or otherwise raise cash in a client account may necessitate selling a security that is attractive to another client account. In order to facilitate the settlement of the cross transaction, we may arrange with a third party broker for one of our client accounts to sell the security and one or more of our client accounts to purchase the security.

Such cross transactions will be effected only if, in our judgment, the transaction is beneficial to both the client account(s) selling the security and the client account(s) purchasing the security. The ability to effect a cross transaction between client accounts may be a conflict of interest for us and present a conflicting division of loyalty because it provides us with an opportunity to advantage one client over another. All cross transactions are therefore subject to relevant compliance procedures.

Agency cross transactions

If we use an affiliated broker, it is possible that the affiliated broker or dealer could carry out an “agency cross transaction”. This would occur where our affiliate acts as broker for both you and for the person on the other side of the transaction.

In connection with any agency cross transaction, the affiliate will receive commissions from both parties to the transaction. We and our affiliate may have a potentially conflicting division of loyalties and responsibilities regarding the parties to the transaction. By accepting our normal terms of business, you are consenting to any agency cross transaction effected by us to which you may be a party. Any such consent will remain in full force and effect until such time as you notify us in writing of the revocation thereof. In addition, we will comply with all applicable rules with respect to agency cross transactions.

Item 12 - Brokerage Practices

Best Execution

As an investment adviser, RBC GAM-UK is obliged to exercise its fiduciary obligation to seek best execution of client transactions under the circumstances of the particular transaction. RBC GAM-UK seeks to satisfy its best execution obligation through established policies and procedures including its Order Execution Policy. In general RBC GAM-UK will seek to execute orders in such a manner that the

total consideration, representing the price of the financial instrument and the costs related to execution is most favorable to the client. However, in some circumstances other factors, such as speed, likelihood of execution and settlement, the size and nature of the order and any other relevant consideration, may be given precedence over the immediate price and cost consideration where we determine they are instrumental in delivering best execution.

Our policies and procedures are also designed to address the conflicts of interest that may arise as a result of managing multiple types of accounts, including client accounts that pay RBC GAM-UK higher fees or performance fees. Refer to the broker selection process below for additional information on factors we consider in executing transactions.

RBC GAM-UK may hire sub-advisers to manage certain accounts. RBC GAM-UK will review the brokerage practices of any sub-advisers to verify each sub-adviser maintains reasonable policies and procedures that it achieves best execution on trades made on behalf of RBC GAM-UK's accounts.

Broker Selection

By granting RBC GAM-UK investment discretion through an investment agreement, clients are also granting us authority to determine, without further client consent, the broker or dealer for securities transactions in the client's account. Our objective for each transaction is to seek the broker most capable of providing the brokerage services necessary in obtaining the best execution, while taking into consideration factors such as:

- Price
- Costs, including spread and brokerage
- Speed
- Likelihood of execution and settlement
- Size and nature of the order
- Nature of the markets in which the security can be traded
- Counterparty risk
- Confidentiality
- Volatility
- Broker-dealer's ability to provide best execution capabilities in the types of securities traded
- Reasonableness of commissions
- Accessibility to trading personnel
- General reputation, including regulatory history of the firm
- Financial stability
- Trade desk opinion of the firm.

These considerations (and others as relevant) guide our selection of the appropriate venue, e.g., an electronic communication networks ("ECN") or alternative trading system ("ATS"), a traditional broker, or a crossing network, etc., in which to place an order and the proper strategy with which to trade.

RBC GAM-UK maintains an approved list of equity broker-dealers. For equity strategies, broker-dealer approvals are determined and the list is reviewed by a committee which includes senior management. For fixed income strategies, where RBC GAM-UK's sole client is RBC GAM-Canada., RBC GAM-UK uses an approved list of counterparties provided by RBC GAM-Canada.

We would not, as general practice, accept client instructions to direct brokerage to particular broker-dealers although we may accept restrictions on which brokers we may use, for instance for regulatory reasons. Directing or restricting brokerage may prevent us from achieving best execution which may cost you more money, for instance by preventing the aggregation of orders which can lower commissions and/or transaction costs as well as improve prices.

Use of Client Commissions

RBC GAM-UK does not receive soft dollar benefits from brokers or third parties in relation to client securities transactions.

Research Provider Selection

RBC GAM-UK may purchase research from third parties, including broker-dealers, in order to supplement its own analysis. Such research is purchased using RBC GAM-UK's funds and RBC GAM-UK has policies and procedures in place to ensure RBC GAM-UK does not receive research in such a way that it might create a conflict of interest by inducing RBC GAM-UK to direct client transactions to particular broker dealers. RBC GAM-UK maintains an approved list of research providers. Research provider approvals are determined and the list is reviewed by a committee which includes senior management.

Aggregation and Allocation

RBC GAM-UK provides investment advisory services to different types of client accounts. Certain portfolio management decisions may affect more than one account, for example when we decide to take an investment action with respect to all of the accounts we manage in a certain style. This results in multiple trading orders relating to the same security but for different client accounts. In these cases, we will typically combine or aggregate purchase or sale orders for more than one account when we believe such aggregation is consistent with our duty to seek best execution.

Such aggregation may be able to reduce commission costs or market impact costs on a per-share or per-dollar basis. We will not aggregate orders where:

- we believe aggregation will result in favoring any account over another;
- we believe aggregation systematically advantages or disadvantage any account;
- RBC GAM-UK receives any additional compensation or remuneration solely as the result of the aggregation; or
- each participating account will not receive the average share price and will not share pro rata in the transaction costs.

In addition, RBC GAM-UK may decide not to aggregate an order for reasons such as:

- the account's governing documents do not permit aggregation
- a client has directed that trades not be executed through a specific broker-dealer
- aggregation is impractical because of specific trade directions received from the portfolio manager, e.g., a limit order
- the order involves a different trading strategy
- we otherwise determine that aggregation is not consistent with seeking best execution.

Equity Aggregation & Allocation

Our equity investment teams may encounter occasions when clients may pay disparate transaction costs due to minimum charges per account imposed by either the broker effecting the transaction or the client's custodian. If there is an open order and a subsequent similar order for the same security for a different account is received by RBC GAM-UK's trading desk, such subsequent order will generally be aggregated with any remainder of the original order consistent with the considerations set forth above.

When RBC GAM-UK does not aggregate equity orders for a client or clients, we will seek to ensure client account orders are treated fairly and equitably over time and not intentionally favor or disfavor any client or class of client in the allocation of investment opportunities.

Once executed, aggregated orders are automatically allocated to the participating accounts pro rata on the basis of order size, except in exceptional circumstances which are recorded and reported internally.

On occasion, an aggregated order may not receive sufficient securities to fill all of the accounts. In such circumstances, the executed portion of any equity order will typically be allocated to the participating accounts pro rata on the basis of their order size. This procedure also applies to subscription orders for a primary or secondary equity offering.

An exception to this might occur in the rare circumstances where to do so would not be in the interests of all impacted Clients. Examples where it would not be in the best interests of all Clients to receive a pro-rata share could be availability of stock to build a meaningful position size, trading and settlements costs are deemed excessive or pro rata allocation is not possible. In these exceptional circumstance allocations will be made to one participating account randomly. In certain circumstances the portfolio manager may propose to exclude accounts from the random draw where the allocation would be de minimis given the size of the fund and the Client would not be disadvantaged from being excluded. All non pro-rata allocations are reported and reviewed internally. Partial fills that are small odd lots will either be fully-filled or excluded on that day pursuant to an automated formula applied by our trading system. If this method does not address a particular circumstance or would produce an inappropriate result, another fair and reasonable method may be used.

Fixed Income Aggregation & Allocation

RBC GAM-UK is committed to ensuring that client account orders are treated fairly and equitably over time. We recognize that certain types of securities may be better suited for particular accounts given each account's benchmarks and/or investment restrictions. In allocating orders to fixed income clients, we first determine that the securities are consistent with guidelines and a particular style of account. We then address specific account needs, which generally include, among other factors, a review of portfolio duration, sector allocation, security characteristics, cash positions and typical size of positions within the account.

It is often impractical to allocate a bond purchase across all eligible accounts as minimum transaction size or increment requirements for a particular bond issue may be inconsistent with risk management for a particular portfolio given the portfolio's comparatively smaller size. In such cases, the portfolio manager has discretion to determine allocations based on a number of considerations described below. In most instances, it is possible for the portfolio manager to prioritize the allocation of a bond among accounts in order to meet the best "fit and need." Factors considered in such prioritization include: specific needs, amount of cash available, amount of portfolio in similar types of credits, current maturity structure of portfolio, and whether the account was allocated bonds in recent purchases. As a result of this approach, not all eligible accounts will participate in every available opportunity. It is our policy to allocate various purchases over time in a manner that is fair to all clients and we monitor these allocations to help ensure this occurs.

RBC GAM-UK's policy and practice is not to intentionally favor or disfavor any client or class of clients, in the allocation of investment opportunities such that, over a period of time, investment opportunities are allocated among clients fairly and equitably.

For fixed income securities specifically, the trader or portfolio manager must decide which broker to use, based on best execution. Fixed income investment portfolios with similar objectives and characteristics, i.e., similar risk profiles are constructed to ensure consistency of duration, maturity distribution and issuer selection distribution, although they may not have the identical security holdings. Differences in holdings combined with market movements tend to result in the respective risk profiles drifting apart over time. Trade allocation in bonds, therefore, aims primarily to ensure consistency among portfolios with similar risk profiles, including realigning them as necessary, particularly as cash flows enter or exit and existing holdings mature, rather than following a pro rata approach that is more typical of equity investing.

OTHER TRANSACTIONS

OTC

We execute fixed income over-the-counter (“OTC”) transactions through broker dealers, market-makers and electronic communication networks (“ECNs”). Trades that are not executed through an electronic trading platform may require documentation of the competitive levels. We access multiple sources to determine if the competitive levels are favorable under the circumstances. At times, multiple offerings or bids for a security may be unavailable. For example during times of considerable market upheaval when dealers cannot exceed trading limits to buy and sell bonds imposed by their own capital constraints, we may be required to transact with only one firm bid or offer. In such market conditions we may also work orders at pre-agreed levels in the market. At all times, however, and unless directed otherwise by our clients, trading activity is pursued with the intent of best execution as fiduciary for the benefit of our clients.

Correcting Trade Errors

In the event a trade error is made by RBC GAM-UK, it is our policy to correct the trade error and absorb any financial loss as a result of that error. Further, we do not use soft dollars or directed trades to correct an error, or attempt to correct the error using another client account. If a trade error unfavorably affects the client’s account, we will reimburse the account so that the client is not financially disadvantaged. Typically, gains as a result of a trade error will be maintained in the client account unless we are specifically instructed by the client that they do not wish to retain the gain.

Item 13 - Review of Accounts

Overview

RBC GAM-UK provides monitoring and oversight of the discretionary accounts we manage through our trade order management and portfolio compliance platforms. We use Charles River Development (“CRD”), a trade order management and investment policy compliance system, to automate portfolio compliance monitoring. Accounts are reviewed on a daily basis by the Investment Policy team using CRD to ensure the portfolio holdings are in line with the client’s investment mandate. The Investment Policy team and portfolio managers seek to ensure that each account is managed consistently with the investment mandate applicable to the account in terms of (1) allocation and diversification of portfolio assets; (2) duration and maturity for fixed income accounts; (3) cash levels; (4) compliance with any specific restrictions established by the client or applicable regulations; (5) the weight of individual securities or asset classes compared against targeted benchmark; (6) changes in a client’s financial profile as communicated to RBC GAM-UK; and/or (7) changes that are recommended in overall investment policy or strategy by RBC GAM-UK portfolio managers, as appropriate.

Additionally, to help monitor investment risk at the strategy level, RBC GAM’s Risk Management and Attribution teams use independent measures and in-house systems to monitor absolute and benchmark relative risk in portfolios, performance attribution analysis and reporting of performance and risk profiles.

Generally, unless otherwise agreed, we will meet with each client on an annual basis to review goals, objectives, holdings, and portfolio performance to ascertain the continued appropriateness of the client's investment strategy. In addition, some accounts may be formally reviewed more frequently by RBC GAM-UK senior management. Our senior management may also meet with portfolio managers or other investment personnel to discuss accounts under their management.

Client Reporting

RBC GAM-UK provides client reports which may, depending on client agreement, include portfolio and benchmark performance and characteristics; portfolio holdings; and transactions for the period.

RBC GAM-UK encourages clients to review their reports and to promptly notify us if they identify any discrepancies or have questions.

Item 14 - Client Referrals and Other Compensation

Referrals

We may engage in third-party referral arrangements, which may include the use of affiliated and unaffiliated broker-dealers or investment advisers. These arrangements may create a conflict of interest by providing an incentive for the third-party solicitor to recommend us over another investment adviser. We may enter referral arrangements with our affiliates and may occasionally engage non-affiliated solicitors. In such cases, RBC GAM-UK will pay a retainer or other fixed fee and/or a portion of the advisory fee that we receive from the referred client.

All client and investor solicitation activities will be undertaken in accordance with the requirements of the various federal securities laws and disclosure specific to the solicitation will be provided to each prospective client and investor at the time of solicitation.

Where RBC GAM-UK directly engages with an un-affiliated US client, it may choose to engage and remunerate a US affiliate to provide client servicing to that client.

Gifts and Entertainment

As part of its ordinary business RBC GAM-UK, or a related person, may send corporate gifts to, or pay for meals and entertainment for clients or service providers who engage in business with us or our affiliates. RBC GAM-UK employees may also receive corporate gifts, meals and entertainment. RBC GAM-UK or an affiliated entity may also make charitable contributions or sponsor events. The giving and receipt of gifts, entertainment and other benefits are subject to certain limitations as outlined in our *Gifts and Entertainment Policy*.

Item 15 - Custody

RBC GAM-UK does not provide custody services to its clients; nor does it recommend the services of any custodians. Notwithstanding the above, in certain situations RBC GAM-UK may be deemed to be a custodian of a client account further to the Advisers Act even though it does not hold client assets. In such cases, GAM UK complies with all applicable regulation.

In any case, Clients should receive at least quarterly statements from their broker-dealer, bank, or other qualified custodian that holds and maintains client assets. Clients are encouraged to contact their custodian and request copies of their statements if they are not receiving them. RBC GAM-UK urges clients to carefully review such statements and compare such official custodial records to the client reports we provide you. The account values reflected in RBC GAM-UK client reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of

certain securities and are not intended as a substitute for accounts statements provided by your qualified custodian. Refer to Item 13 for more information about client reports.

Item 16 - Investment Discretion

RBC GAM-UK offers both discretionary (clients who have granted us written authorization to execute transactions for their accounts without prior approval) and non-discretionary (clients who require transactions be either traded by them or authorized by them in advance) investment management services.

Before RBC GAM-UK will assume discretionary authority for a client, the client and RBC GAM-UK must enter into an agreement that grants us authority to execute trades on behalf of the client.

Regardless of whether discretion is granted to us, investment management will be conducted in a manner consistent with the stated investment objectives of the client account. With the exception of account restrictions agreed with our client, where we are granted investment discretion we are generally authorized to make the following determinations, consistent with each client's investment goals and policies, without client consultation or consent before a transaction is effected:

- which securities or other investments to buy or sell
- the total amount of securities or other investments to buy or sell
- the broker or dealer through whom securities are bought or sold
- the commission rates at which securities or other investment transactions for client accounts are effected
- the price at which securities or other investments are to be bought or sold, which may include dealer spreads or mark-ups and transactions costs.

Such discretion will be used within any restrictions required by law, regulation or RBC GAM-UK's internal policies.

Item 17 - Voting Client Securities

Many of our clients have granted us discretion to vote proxies on their behalf. RBC GAM-UK has adopted proxy voting policies and procedures including specific proxy voting guidelines that set forth the general principals we use to determine how to vote in client accounts for which we have proxy voting responsibility. The proxy voting guidelines are established and updated each year by RBC GAM Inc.'s Corporate Governance & Responsible Investment ("CGRI") team.

In general, we vote proxies in accordance with the Custom Guidelines; however, there may be a situation where we vote outside of our Custom Guidelines, withhold our vote or do not vote, because we believe that to do so would be in the best interest of the client.

In the event that we identify a perceived or actual conflict of interest, we follow procedures to ensure that a proxy vote is exercised in accordance with our Custom Guidelines, free from any undue or external influences.

To assist us with the management and execution of our proxy voting process, we rely on Institutional Shareholder Services ("ISS") and Glass, Lewis & Co., which are our primary resources for proxy research. ISS provides custom voting recommendations - all of which are based on our Proxy Voting Guidelines. RBC GAM makes all proxy voting decisions, independent of ISS and Glass Lewis & Co.

- RBC GAM Proxy Voting Guidelines ("Custom Guidelines"): These Custom Guidelines are updated annually and based on leading corporate governance standards.

- For these Custom Guidelines, we engage (a) ISS as our voting service provider and (b) our affiliate, RBC GAM Inc. to perform research, analysis and administrative functions. The CGRI team reviews ISS' custom voting recommendations to confirm adherence to the Custom Guidelines and works directly with RBC GAM-UK investment teams to ensure votes are cast consistent with our fiduciary duty.
- Taft-Hartley Advisory Services ("T-HAS"): These guidelines are based on the AFL-CIO proxy voting policy.
 - For the T-HAS Guidelines, we engage (a) Taft-Hartley Services of ISS as our research and voting service for clients who elect T-HAS as their proxy voting guidelines and (b) our affiliate, RBC GAM Inc. to perform administrative functions.

We have instructed ISS to use their automated voting platform to cast client proxy votes prior to the market cutoff date for each shareholder meeting. If, in advance of the shareholder meeting, a company files additional soliciting materials with local regulators, or publishes a response to the research or vote recommendations of ISS or Glass, Lewis & Co., we have implemented a process to review those responses and consider them in our voting decision.

RBC GAM-UK has a detailed process to manage the review and approval of vote instructions. Our CGRI team manages the internal review of proxy voting to ensure that the custom recommendations made by ISS correctly reflect the intentions of our Custom Guidelines.

Additional information about our Proxy Voting Process can be found in the RBC Global Asset Management Proxy Voting Guidelines document on our website. You may also contact us directly for a copy of the Custom Guidelines. In addition, a record of all proxy votes cast on behalf of a client's account(s) is available upon request.

Item 18 - Financial Information

RBC GAM-UK has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Fee Schedule Appendix
Emerging Markets Equity

on first US\$50m	0.90%
on next US\$50m	0.80%
thereafter	0.75%

Emerging Markets Value Equity

on first US\$50m	0.90%
on next US\$50m	0.80%
thereafter	0.75%

Emerging Small Cap Equity

on first US\$50m	1.10%
on next US\$50m	1.00%
thereafter	0.95%

Global Equity

on first US\$50m	0.70%
on next US\$50m	0.60%
thereafter	0.55%

International Equity

on first US\$50m	0.70%
on next US\$50m	0.60%
thereafter	0.55%

European Equity

on first US\$50m	0.65%
on next US\$50m	0.60%
thereafter	0.55%

Emerging Markets Equity Focus

on first US\$50m	0.90%
on next US\$50m	0.80%
thereafter	0.75%

Global Equity Fossil Fuel Free

on first US\$50m	0.70%
on next US\$50m	0.60%
thereafter	0.55%

US Focus Equity

on first US\$50m	0.50%
on next US\$50m	0.40%
thereafter	0.35%

Emerging Markets ex-China Equity

on first US\$50m	0.90%
on next US\$50m	0.80%
thereafter	0.75%

China Equity

all assets	0.80%
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Asia ex-Japan Equity

all assets	0.75%
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International Small Capital

on first US\$50m	0.95%
on next US\$50m	0.85%
thereafter	0.80%

Please note that the Global Bonds strategy is not currently actively marketed to US Investors.

Risk Disclosure Appendix

Investing in securities involves risk of loss that you should be prepared to bear. The investment decisions that we make for you are subject to various market, currency, economic, political and business risks, and our investment decisions based on such factors will not always be profitable. Applicable risks include:

Active Management Risk. Where a portfolio is actively managed, RBC GAM-UK and each individual portfolio manager will apply investment techniques and risk analyses in making investment decisions, but there can be no guarantee that these decisions will produce the desired results.

Concentration Risk. Investments are expected to be closely tied to a specific name, industry, or benchmark. As a result, performance may be more volatile than the performance of a portfolio that does not concentrate its investments in a particular economic industry or sector.

Counterparty Risk. The possibility that counterparty, including a broker-dealer holding soft dollars, or a clearing house, guarantor or any service provider to the portfolio could fail. The inability or unwillingness of others to honor obligations could result in credit losses incurred from late payments, failed payments and/or default. In times of general market turmoil, even large, well-established financial institutions may fail rapidly with little warning.

Default Risk. The risk that lenders will be unable to make the required payments on their debt obligations.

Derivatives Risk. Derivatives are financial instruments that have a value which depends upon, or is derived from, the value of something else, such as one or more underlying securities, pools of securities, options, futures, indexes or currencies. Losses involving derivative instruments may be substantial, because a relatively small price movement in the underlying security(ies), option, future, index or currency may result in a substantial loss for the portfolio. In addition to the potential for increased losses, the use of derivative instruments may lead to increased volatility within the portfolio. Derivative instruments will typically increase a portfolio's exposure to material risks to which it is otherwise exposed, and may expose the portfolio to additional risks, including correlation risk, counterparty credit risk, hedging risk, leverage risk and liquidity risk.

Correlation risk	Related to hedging risk and is the risk that there may be an incomplete correlation between the hedge and the position it is intended to hedge, which may result in increased or unanticipated losses.
Counterparty credit risk	The risk that a counterparty to the derivative instrument becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, and the portfolio may obtain no recovery of its investment or may only obtain a limited and/or delayed recovery.
Hedging risk	The risk that derivative instruments used to hedge against an opposite position may offset losses, but they may also offset gains. There is no guarantee that a hedging strategy will eliminate the risk which the hedging strategy is intended to offset, which may lead to losses within the portfolio.
Leverage risk	The risk that losses from the derivative instrument may be greater than the amount invested in the derivative instrument.
Liquidity risk	The risk that the derivative instrument may be difficult or impossible to sell or terminate, which may require the portfolio to do something the portfolio managers would not otherwise choose, including accepting a lower price for the derivative instrument, selling other investments or foregoing another, more appealing investment opportunity. Derivative instruments which are not traded on exchange, including, but not limited to, forward contracts, swaps and over-the-counter options, may have increased liquidity risk.

Certain derivatives have the potential for unlimited losses, regardless of the size of the initial investment.

Diversification and liquidity risk: Unless we and you otherwise agree, we will not be responsible for your overall diversification, asset allocation or liquidity needs.

Emerging market risk: Risks particularly associated with investing in foreign and emerging markets include:

- Vulnerability to economic downturns and instability due to undiversified economies, trade imbalances, inadequate infrastructure, heavy debt loads and dependence on foreign capital inflows, governmental corruption and economic mismanagement and difficulty in delivering economic reforms.
- Adverse government intervention: nationalization, punitive taxation policies, currency devaluations, asset transfer restrictions, restrictions on investment by non-citizens, excessive laws and regulations.
- Political and social instability, war and civil unrest.
- Less liquid and efficient securities markets: higher transaction costs, settlement delays, poor and unreliable publicly available information, non-uniform reporting and accounting standards, pricing difficulties and less effective supervision.

Equity risk: There are various risks associated with investing in equities including:

- The stock markets in which a portfolio is invested may go down.
- An adverse event, such as a poor earnings report, a negative press comment, may depress the value of a company's shares.
- Smaller companies may have less diversified product or service offerings and less market liquidity, which may increase price volatility.

Fixed-income risk: Such risks include:

- Interest rate risk: If interest rates rise the prices of fixed income securities in the portfolio may fall and the longer the maturity of a fixed income security the greater its sensitivity to changes in interest rates will typically be.
- Credit risk: The issuer may default on its obligation to pay principal or interest, may have its credit rating downgraded by a rating agency or may be perceived by the market to be less creditworthy. Lower rated bonds are more likely to be subject to an issuer's default than investment grade (higher rated) bonds. Lower rated bonds may have less liquidity and be more difficult to value in declining markets.
- Prepayment risk: If interest rates fall the issuer of a security may exercise its right to prepay principal earlier than scheduled forcing the investor to reinvest in lower yielding securities.

Foreign Risk. The risk of loss due to lower levels of foreign government regulation, public information and/or economic, political and social stability in these countries. Loss may also result from the imposition of exchange controls, confiscations and other government restrictions, or from problems in registration, settlement or custody. Foreign risk also involves the risk of negative foreign currency rate fluctuations, which may cause the value of securities denominated in such foreign currency (or other instruments through which the portfolio could have exposure to foreign currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time.

Foreign Currency Risk: The risk that foreign currency rate fluctuations cause the value of securities denominated in such foreign currencies (or other instruments through which the portfolio could have exposure to foreign currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time.

General Economic and Market Conditions Risk. The success of the portfolio's investment program may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities

prices and the liquidity of investments. Unexpected volatility or illiquidity could impair profitability or result in losses.

Growth Investing Risk. Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections.

Investments in pooled investment funds. Certain strategies may invest in one or more pooled investment funds managed by our affiliates or by unaffiliated third party managers including mutual funds, exchange-traded funds (ETF), collective investment funds, private funds, offshore funds, real estate funds, etc.

- A fund's investment will be made in accordance with the fund's offering documents, e.g., prospectus, offering memorandum, etc., and governing instruments
- In addition, to the extent a strategy invests in a pooled investment fund, there may be additional risks discussed in the fund's offering documents or governing instruments which are not discussed in this brochure
- Prior to investing your account in a fund we will assess whether we believe the investment is consistent with your investment guidelines
- You will generally bear, indirectly, fund investment expenses and operating costs
- When investing in a fund you will normally bear the fees paid by the underlying investment fund to its investment manager.

Issuer/Credit Risk. The possibility that issuers of securities may default on the payment of interest or principal on the securities when due, which would cause a portfolio to lose money.

Liquidity Risk. Investments in illiquid securities may be difficult or impossible to sell at desirable prices due to lack of marketability.

Market Risk. One or more markets in which the portfolio invests may go down in value, sometimes sharply and unpredictably, and the value of the securities may fall or fail to rise. Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. The success of a portfolio's investment program may be affected by general economic and market conditions. These conditions may affect the level and volatility of securities prices and the liquidity of investments. Unexpected volatility or illiquidity could impair profitability or result in losses.

Political and Regulatory Risk. GAM UK or its investee companies may be affected by political or regulatory decisions which affect them or their business environment. For example, instability in the financial markets has led governments to take unprecedented actions to support certain financial institutions and certain segments of the financial markets that experienced extreme volatility. Regulatory organizations may take future legislative or regulatory actions that may affect the operations of a portfolio or its investments or preclude a portfolio's ability to achieve its investment objective.

Smaller Company Risk. The value of securities issued by a smaller company may go up or down, sometimes rapidly and unpredictably as compared to more widely held securities of larger companies, due to narrow markets and limited resources of smaller companies. Investments in smaller companies may increase levels of credit, market and issuer risk.

Tax Risk. The risk that the issuer of a security will fail to comply with certain requirements of the local tax regulation, which would cause adverse tax consequences. Changes in tax laws could affect the taxable status of the securities causing share prices to rise or fall.

Value Investing Risk. Value stocks may not increase in price as anticipated if they fall out of favor with investors or the markets favor faster-growing companies.

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