Royal Mutual Funds Inc. (RMFI, we, our or us) has prepared this regulatory disclosure document (RDD) to provide you with certain required disclosures and information relating to actual and potential material conflicts of interest and our relationship with you, including our products and services, the nature of your account(s) and certain responsibilities as follows:

- Part A: RMFI Conflicts of Interest Disclosure
- Part B: Relationship Disclosure Information

This RDD is important for you to read and understand, and does not create or modify any agreement, relationship or obligation between you and RMFI. These disclosures and the obligations giving rise to them are part of our regulatory obligations and do not form part of your Account Agreement. If you have any questions about this RDD, please contact your mutual funds representative.

**Part A: RMFI Conflicts of Interest Disclosure**

Below is information relating to the existing and reasonably foreseeable material conflicts of interest that may affect your interests as our client, including how we address material conflicts of interest in the best interest of our clients. Please contact your mutual funds representative with any questions about these disclosures, or how they may relate to your investment plan.

Should any additional material conflicts of interest be identified either after you receive this disclosure or after account opening, as applicable, we will inform you in a timely manner.

It is important you read the disclosure below, to understand the nature and extent of the material conflicts of interest, and any potential impact and risks to you. This updated disclosure is also be available at www.rbc.com/rmfidisclosures/. New clients of Royal Mutual Funds Inc. (RMFI) are provided with this disclosure before opening an account. These disclosures and the obligations giving rise to them are part of our regulatory obligations and do not form part of your Account Agreement.

A conflict of interest may arise where

- RMFI or a mutual funds representative has separate business or personal interests that differ from a client’s interests
- RMFI or a mutual funds representative may be influenced to put their own interests ahead of a client’s interests
- Monetary or non-monetary benefits or disadvantages to RMFI or a mutual funds representative might compromise a reasonable client’s trust
- There are differing interests amongst clients, resulting in preferential treatment for some in the operation and management of their account and execution of trades.

Generally, a conflict of interest is material if the conflict may be reasonably expected to influence either your decisions as a client or RMFI or its mutual funds representatives’ recommendations or decisions in the circumstances.

RMFI seeks to identify and address material conflicts of interest through policies and procedures, including the RBC Code of Conduct, which requires representatives to avoid any situation in which their personal interests conflict or appear to conflict with their duties as a mutual funds representative. The policies and procedures and the RBC Code of Conduct are applicable to RMFI’s representatives and do not form part of, nor are they incorporated into, our Account Agreement. RMFI’s policies and procedures also include a broad definition of “conflicts of interest”, a defined escalation procedure for conflict handling, a clear delineation of responsibilities between RMFI and its mutual funds representatives, the appropriate resources, independence and authority for the Chief Compliance Officer and other internal control functions to address conflicts of interest, regular internal reporting and periodic testing of the conflicts management framework. RMFI has a system for confirming that material conflicts of interest are disclosed to clients.
Information about how we manage material conflicts of interest

1. Relationship between Royal Mutual Funds Inc. (RMFI) and other RBC Companies

Managed through policies and procedures, including confidentiality policies.

We are a member of the Royal Bank of Canada group of related companies (RBC Companies). The Royal Bank of Canada (Royal Bank) is a chartered Canadian bank, operating through branches and other channels across Canada. We and our affiliated financial services firms are wholly-owned subsidiaries of Royal Bank, and we are all members of the Royal Bank of Canada group of companies. We are separate entities from each other, with information barriers and tailored compliance systems. In the course of providing services to you, we may from time to time enter into transactions or arrangements with other RBC Companies or accept services from other RBC Companies or other persons or companies which are related or connected to us.

Royal Bank Holdings Inc. (RBHI), a wholly owned subsidiary of Royal Bank, is the owner of 100% of all outstanding shares of RMFI. RMFI is a separate corporate entity from RBHI and Royal Bank. Royal Bank is a reporting issuer under applicable securities laws and is a related issuer of RMFI.

RMFI may receive from or provide to Royal Bank and its subsidiaries, management, administrative, referral and/or other services relating to ongoing business activities or transactions. Certain legislative and industry regulatory requirements apply to these relationships. These requirements impose restrictions on dealings between related registered companies and are intended to minimize the potential for conflicts. RMFI has adopted internal policies and procedures in addition to these requirements, including policies on confidentiality of information.

Our membership in the group of RBC Companies, together with the transactions and arrangements we make with other members of the group of RBC Companies, will give rise to conflicts of interest, and we have adopted policies and procedures to identify and respond to these conflicts. We will only enter into these transactions or arrangements where they are permitted under applicable securities laws.

In all cases, we recognize that the conflicts arising from transactions with our affiliates raise perceptions that we will favour the business interests of the various RBC Companies, so that you may have concerns about those products and services we provide you that are sourced from or provided by those RBC Companies.

We and the other RBC Companies, like other financial services firms, are commercial businesses and seek to provide shareholder value, while also providing fair, honest and suitable products and services to our clients. We are compensated by selling products and services to you for which you pay us. We may also earn revenue from other sources, including from our affiliates, some of which may be seen as involving a conflict of interest or potential conflict of interest.

Royal Bank is also the principal shareholder of certain registrants, including RBC Dominion Securities Inc., RBC Direct Investing Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Private Counsel (USA) Inc., RBC InvestEase Inc., RBC Global Asset Management Inc., RBC Global Asset Management (U.S.) Inc., RBC Capital Markets Corporation, Phillips, Hager & North Investment Funds Ltd., BlueBay Asset Management LLP and RBC Securities Australia Pty Limited. Certain directors and officers of RMFI are also directors and officers of one or more of the above affiliates. RMFI, Royal Trust Corporation of Canada and The Royal Trust Company are separate corporate entities and are affiliated.

2. Sale of proprietary products

Managed through product due diligence review process, compensation plan review process, disclosures and reporting to clients, transaction suitability checks, recommendation review with clients, and a services agreement with RBC GAM.

It is a conflict of interest for RMFI to sell proprietary products and products and services of related and connected issuers, including mutual funds manufactured and managed by our affiliate, RBC Global Asset Management Inc. (RBC GAM). In addition, non-monetary benefits and cooperative marketing and sales practices also give rise to conflicts of interest.

As a mutual fund dealer and principal distributor of RBC GAM mutual funds, we exclusively offer proprietary products to clients, which includes a broad range of RBC Funds® and PH&N Funds. RMFI also makes available to clients guaranteed investment certificates and high interest savings accounts offered by RBC. In addition, financial planning, retirement planning and investment advice are provided through RMFI. The selection of mutual funds and the type of investment and financial planning services available to you depends on your particular circumstances and investment needs, which may change over time. The products or services you may receive from RMFI may vary depending on whether you choose online or in-person services and whether you are meeting with a Banking Advisor, Financial Advisor, Financial Planner or one of our mutual funds representatives in another role.
Our suitability determination will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse, or equal in meeting a client’s investment needs and objectives.

- **Related and connected issuers** – Because RMFI distributes RBC GAM mutual funds, it makes securities of related and connected issuers available to you. An issuer of securities is “related” to RMFI if, through the ownership of, or direction or control over, voting securities, RMFI exercises a controlling influence over that issuer, or that issuer exercises a controlling influence over RMFI, or the same third party exercises a controlling influence over both RMFI and the issuer. An issuer is “connected” to RMFI if, due to indebtedness or other relationships, a prospective purchaser of securities of the connected issuer might question RMFI’s independence from the issuer.

  RBC Funds, PH&N Funds and RBC Corporate Class Funds are manufactured and managed by RBC GAM, offered through RMFI and are connected issuers of RMFI.

- **Non-monetary benefits** – As principal distributor of the RBC GAM mutual funds, RMFI receives services and investment and client reporting tools from RBC GAM, which provide analysis and investment portfolio proposals that include certain RBC GAM mutual funds. RMFI leverages these tools in making investment recommendations to clients. RBC GAM also provides certain training for representatives.

- **Cooperative marketing practices** – RMFI and RBC GAM engage in cooperative marketing practices because of RMFI’s role as principal distributor of the RBC GAM mutual funds.

- **Conflicts of interest within the RBC GAM mutual funds** – RBC GAM manages the conflicts of interest it has as manager of the RBC GAM mutual funds, including causing those funds to invest in securities issued by other RBC Companies or investing in securities underwritten by dealers that are part of the group of RBC Companies, in the best interests of the applicable funds and obtains approvals and positive recommendations from the Independent Review Committee (IRC) for the funds, as appropriate before taking such actions. The conflicts of interest considered by the IRC for the RBC GAM mutual funds are disclosed in the IRC’s annual report to unitholders, which is available on the RBC GAM website.

- **Revenues generated for RBC GAM as manager of the RBC GAM mutual funds** – RBC GAM receives management fees in respect of its management of the RBC GAM mutual funds. The management fee covers costs associated with managing the day-to-day business of the GAM mutual funds and managing the investment portfolio of each RBC GAM mutual fund, which may include equities, fixed income and other GAM mutual funds. Since management fees are based on the amount of assets invested in each RBC GAM mutual fund, your investment in an RBC GAM mutual fund will generate revenues for RBC GAM. RBC GAM pays part of its management fee as a trailing commission to RMFI for distribution services. These fees and trailing commissions are disclosed in the simplified prospectus of the RBC GAM mutual funds.

### 3. Referral fees

Managed through allowing only approved referral arrangements and documenting all referrals in the RBC Referral Management System.

Conflicts arise with representatives receiving referral fees for referring clients to another RBC Company for products and services not offered through RMFI. Referral fees are not paid by you.

As a result of a referral arrangement, RMFI and its mutual funds representatives who refer a client to another RBC Company may have a conflict of interest between their own financial interests and your interest in being referred to the appropriate other RBC Company for the type of investment services that you have requested, or for services that we think may be of interest to you.

See Referral arrangements below for further details about referral fees paid by Royal Bank of Canada and the securities registrants involved, to better help you evaluate our referral arrangements with our affiliates.

### 4. Account type offering

Managed through account type suitability assessment and appropriateness considering a client’s investment needs and objectives, tools and controls for clients to assess the benefits of trailing commission-based versus fee-based accounts for their particular situation, and policies and procedures.

Conflicts may arise from offering both fee-based accounts with ongoing account fees and accounts with trailing commission-paying mutual funds.

### 5. Internal compensation arrangements and incentives

Managed through complying with suitability obligations, commission caps, process controls, alignment with representatives’ work effort and complexity of advice, regular compensation review, performance reviews of representatives, Referral Management System, and controls for identifying advisor variance from ordinary product distribution mix.
Certain internal compensation arrangements and incentives, where higher compensation is linked to product type, account balance, investment amount, revenue/sales targets, product complexity and advice, and referrals, may influence a mutual funds representative to act in various self-interested ways. For example, recommending a product that will result in more compensation as opposed to an equivalent (or better) product that more closely meets the client’s investment needs and objectives, or encouraging clients to invest more money in their account or seeking to generate as much client business as possible in order to receive additional compensation. Some examples of these types of incentives include contests, promotional activities, events and charitable donations with tax benefits to representatives.

6. Gifts and entertainment
Managed through value limits, prior approvals, and policies and procedures for eligibility, disclosure and tracking. Gifts and entertainment from clients, third parties or other employees may influence representatives or compromise their judgement.

7. Outside activities
Managed through approvals, disclosures, policies and procedures, and annual acknowledgement. Outside activities (including external and cross-directorships with subsidiaries/affiliates and other gainful employment) that are for direct or indirect payment may give rise to insider trading opportunities, access to material non-public information, personal or professional financial dealings, and potential financial control and privacy concerns.

8. Representatives’ personal financial dealings with clients
Managed through training and policies generally prohibiting representatives from accepting appointments of fiduciary roles (e.g., power of attorney, mandataire, executor, trustee, administrator, liquidator) or inheritances from a client.
Examples include lending, borrowing, private investment schemes, purchasing a client’s assets, or sharing an account with a client like an investment club, and may include non-monetary benefits.

Referral arrangements
RMFI and its mutual funds representatives receive referral fees from Royal Bank of Canada for referring clients to another party, including other parties within the group of RBC Companies. The details of our existing referral arrangements are described in this document, including:
- the fees we may receive, a portion of which may be allocated to our mutual funds representatives; and
- the fees our mutual funds representatives may receive directly.
Referral fees are not paid by you.
To the extent we have a referral arrangement with another party that is not described below, we will provide you with appropriate disclosure of the referral arrangement before we make any referral to you. Our mutual funds representatives may receive compensation in the form of referral fees from the following RBC Companies, for referring clients to those companies for products or services, under a written referral agreement with RMFI:
- **RBC Dominion Securities Inc.** (RBC Dominion Securities®), a registered investment dealer under Canadian securities regulations, providing full service or discretionary investment advice on a broad product shelf not offered through RMFI, including advice in respect of stocks and bonds. Royal Bank of Canada (a financial institution providing a broad range of banking and financial services) is also a party to this referral agreement.
- **RBC Direct Investing Inc.** (RBC Direct Investing®), a registered investment dealer under Canadian securities regulations, providing order execution only investment services not offered by RMFI, where clients can transact without any investment advice and suitability determination provided by RBC Direct Investing. Royal Bank of Canada is also a party to this referral agreement.
- **RBC InvestEase Inc.** (RBC InvestEase®), a registered discretionary portfolio manager under Canadian securities regulations, providing discretionary portfolio management services not offered through RMFI. Royal Bank of Canada is also a party to this referral agreement.
- **RBC Phillips Hager & North Investment Counsel Inc.** (PH&N Investment Counsel), a registered discretionary portfolio manager under Canadian securities regulations, providing discretionary portfolio management services not offered through RMFI to high net worth and ultra-high net worth clients. Royal Bank of Canada is also a party to this referral agreement.
- **Phillips Hager & North Investment Funds Ltd.** (PH&N Investment Services®), a registered mutual fund dealer under Canadian securities regulations, providing mutual fund investment advice for certain clients in specific circumstances based on the particular client’s needs or preferences. Royal Bank of Canada is also a party to this referral agreement.

- **Royal Trust Corporation of Canada / The Royal Trust Company** (Royal Trust®), a trust company, not registered under Canadian securities regulations, providing various trust and wills and estates related services to clients. Royal Bank of Canada is also a party to this referral agreement.


RMFI and each RBC Company are separate, affiliated corporations. It is illegal for anyone receiving a referral fee to trade in or advise on securities if that person is not licensed or registered to do so under applicable securities legislation. Where a referral is made to a securities registrant, all activity requiring registration resulting from the referral arrangement will be provided by the registrant receiving the referral.

### Current Referral Fees Paid for Referring Clients to Another RBC Company

<table>
<thead>
<tr>
<th>RBC Dominion Securities</th>
<th>If your registered representative is an Investment Retirement Planner</th>
<th>If your registered representative is a Financial Planner</th>
<th>If your registered representative is a Private Banker</th>
</tr>
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<tbody>
<tr>
<td><strong>RBC Direct Investing</strong></td>
<td>▪ 25% of the actual first year revenue in connection with your account</td>
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<td></td>
<td>▪ $50 – if you have a balance of between $15,000 and $49,999.99 in investable assets</td>
<td>▪ 12.5 basis points on your account assets transferred from a third party if you have a minimum balance of $50,000 in investable assets up to a maximum of $15,000</td>
<td>▪ If you have a minimum balance of $50,000 in investable assets up to a maximum of $15,000</td>
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<td></td>
<td>▪ 35 basis points on your account assets up to a maximum of $3,000 – if you have a balance of $50,000 or more in investable assets</td>
<td>▪ 5 basis points on your RBC account assets if you have a minimum balance of $50,000 in investable assets up to a maximum of $15,000</td>
<td>▪ 5 basis points on your RBC account assets if you have a minimum balance of $50,000 in investable assets up to a maximum of $15,000</td>
</tr>
</tbody>
</table>

**RBC InvestEase**
- ▪ $50 – if you have a minimum of $15,000 of investable assets
- ▪ $50 – if you have a minimum of $15,000 of investable assets
- ▪ No referral fees

**PH&N Investment Counsel**
- ▪ 25% of the actual first year revenue in connection with your account
- ▪ 25% of the actual first year revenue in connection with your account
- ▪ 25% of the actual first year revenue in connection with your account

**Royal Trust**
- ▪ 10% of the estimated fee for immediate revenue estate services, to a maximum payment of $25,000
- ▪ No referral fees
- ▪ No referral fees
<table>
<thead>
<tr>
<th>PH&amp;N Investment Services</th>
<th>Royal Bank of Canada, Group Advantage business segment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>If your registered representative is an Investment Retirement Planner</strong></td>
<td><strong>If your registered representative is a Financial Planner</strong></td>
<td><strong>If your registered representative is a Private Banker</strong></td>
</tr>
<tr>
<td>$50 – if you have a balance of between $15,000 and $49,999.99 in investable assets</td>
<td>12.5 basis points on your account assets transferred from a third party if you have a minimum balance of $50,000 in investable assets up to a maximum of $15,000</td>
<td>If you have a minimum of $50,000 in external assets only, the greater of $250 or 15% of the first year revenue for your account to a maximum of 20 basis points or $10,000</td>
</tr>
<tr>
<td>35 basis points on your account assets up to a maximum of $3,000 – if you have a balance of $50,000 or more in investable assets</td>
<td>5 basis points on your RBC account assets if you have a minimum balance of $50,000 in investable assets up to a maximum of $15,000</td>
<td></td>
</tr>
<tr>
<td><strong>Royal Bank of Canada, Group Advantage business segment</strong></td>
<td><strong>No referral fees</strong></td>
<td><strong>75 basis points on investable assets – if the Group plan is a Group Savings Plan, DCPP or PRPP with a minimum of 25 employees and $100,000 in assets</strong></td>
</tr>
<tr>
<td>10 basis points on investable assets up to a maximum of $10,000 per Group Sponsor – if the Group plan is a Defined Contribution Pension Plan (DCPP)</td>
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<tr>
<td>$200 – if the Group plan is a Pooled Retirement Pension Plan (PRPP)</td>
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</table>

**Part B: Relationship Disclosure Information**

We have prepared this relationship disclosure information to provide you with a description of various matters relating to our relationship with you, including the nature of our advisory relationship, our product and service offering, suitability and Know-Your-Client (KYC) information and reporting obligations.

Should there be a significant change to the relationship disclosure information previously provided to you, we will inform you in a timely manner.

**Products and services**

RMFI is registered under Canadian securities laws in the category of mutual fund dealer and is regulated under the rules and oversight of the Mutual Fund Dealers Association of Canada (MFDA). Under this registration, RMFI may act as a dealer in respect of securities of mutual funds but is not permitted to offer individual stocks or bonds to clients. RMFI is licensed as a financial services firm in the province of Quebec.

RMFI exclusively offers proprietary products to clients and is the principal distributor of certain mutual funds managed by its affiliate, RBC Global Asset Management Inc. (RBC GAM). As such, we make a broad range of RBC Funds and PH&N Funds available to our clients. GICs and other types of Royal Bank of Canada bank products may also be distributed through RMFI. Because of our association with the Royal Bank of Canada, we do not offer investment products of entities unrelated to us. See Part A: RMFI Conflicts of Interest Disclosure for more information on how we address the conflicts associated with the sale of proprietary products. Speak to your mutual funds representative should you be interested in holding third party mutual funds or other types of products not made available through RMFI.

In addition, financial planning, retirement planning and investment advice may be provided through RMFI. RMFI also offers a portfolio monitoring service (drift notification and rebalancing) that lets you authorize RMFI to monitor and rebalance your account based on your instructions relating to target mutual fund allocation, monitoring start date, drift threshold and frequency. See your Account Agreement or speak with a mutual funds representative for more information about this service in your particular circumstances.
The selection of mutual funds and the type of investment and financial planning services available to you depends on your particular circumstances and investment needs, which may change over time. The products or services you may receive from RMFI may vary depending on whether you choose online or in-person services and whether you are meeting with a Banking Advisor, Financial Advisor, Financial Planner or representative in another role.

There may be certain fees, costs and charges applicable to the products, services and account types we offer, including in connection with the mutual funds or other investment products you hold in your account(s). See Fees and charges below for more information.

Generally, the investments that we recommend to you will be able to be readily liquidated or redeemed, as applicable. Mutual funds purchased from or through us and held in your account(s) are not insured by the Canada Deposit Insurance Corporation, the Autorité des marchés financiers (Quebec regulator) or any other government deposit insurer, and the value of the mutual funds is not guaranteed by any RBC Company or other Canadian financial institution and may fluctuate in value.

**Nature of advisory relationship**

When any of our mutual funds representatives are involved in any mutual fund or investment related discussions or activity, including financial planning, they are acting on behalf of RMFI. Any other of their activities at Royal Bank of Canada or other activities unrelated to RMFI are neither the responsibility nor the business of RMFI.

Although you may rely on the advice provided to you by mutual funds representatives, you are ultimately responsible for making your own investment decisions. RMFI is responsible for ensuring that the advice provided to you is suitable based on your stated investment needs and objectives using the information that you have provided to us upon account opening and any updated information you have provided to us. In making recommendations to you, your mutual funds representative will put your interests first.

**Types of accounts**

Your account type depends on the products and services you have with RMFI, and whether you have a registered plan or non-registered investments. Your account is not a discretionary or managed account and your mutual funds representative will not have discretionary authority over your account.

RMFI may receive trailing commissions on the mutual funds you hold with RMFI. You will find additional details regarding fees and costs associated with any particular mutual fund, and any minimum balance and/or transaction amounts, in the Fund Facts/simplified prospectus that applies to the mutual fund. RMFI may also receive trailing commissions on investment savings accounts. See your Account Agreement for the terms and conditions relating to our account types, including any account level fees payable to RMFI for fee-based account(s) and other details such as the minimum account size. Please ask your mutual funds representative for more information about our account types.

**Important Know-Your-Client (KYC) terms and definitions**

In order to conduct suitability assessments for your account(s), Canadian securities laws require RMFI to fully understand, among other things, your financial circumstances, investment needs and objectives, investment knowledge and risk profile. This is called “Know-Your-Client” (KYC) information.

To ensure we have sufficient KYC information about you to meet our suitability obligation, we ask you to provide us with your accurate and current personal and financial information as part of the account opening process. RMFI will collect your information to establish your investment needs in order to make suitable investment recommendations, and will regularly update this information upon becoming aware of any significant changes or inaccuracies in your KYC information, which you have notified us of. We will send you a reminder at least annually to tell us about any changes in your KYC information. We will also contact you to review your KYC information and investment suitability at least once every 36 months.

A document setting out your KYC information you provided to us will be given to you under certain circumstances, including at the time of account opening and when a significant change in your KYC information has come to our attention. You should review that document carefully and advise us promptly if any of the KYC information is not accurate. You have agreed to notify us as soon as possible of any change to such information.

Summarized below are some of the most important terms and definitions used during this process.

**Investment objectives** The investment objective is the overall goal for an investment account throughout the entire investment time frame. For example, safety, income and/or capital gains.

**Secure:** The safety and security of the investments is the highest priority. An investor is willing to accept a lower rate of return in exchange for predictable earnings, and may require only modest income from the investments.
Very Conservative: Some safety and security of the investments are priorities. An investor is willing to accept small fluctuations in the value of the capital, and may require income from the investments.

Conservative: An ability to accept moderate fluctuations in the value of the investments. An investor may require income, but is also interested in the potential for some capital growth in the investments.

Balanced: A balanced combination of income and moderate capital growth. An investor can accept fluctuations in the value of the investments for the potential of higher returns.

Growth: Capital growth of the investments is the priority. An investor is willing to accept considerable fluctuations in the value of the investments in exchange for the potential of capital growth.

Aggressive Growth: Maximizing capital growth of the investments is the priority. An investor is willing to accept significant fluctuations in the value of the investments for the potential of higher capital growth.

Investment knowledge Your investment knowledge is your understanding of investing, investment products and their associated risks. This includes your understanding of financial markets, the relative risk and limitations of various types of investments, and how the level of risk taken affects potential returns, and previous experience with investments and financial matters.

Limited: An investor with little or no investment understanding and/or experience. For example, an investor who has only held GICs.

Average: An investor with some investment experience who has had moderate exposure to different investment products. For example, an investor who has held mutual funds.

Extensive: An investor with broad investment experience who has had exposure to multiple investment products. For example, an investor who has held mutual funds, stocks and/or bonds.

Risk profile Risk profile is the risk assessment for your account(s), which reflects the more conservative of either your risk tolerance or risk capacity.

Risk tolerance The risk tolerance for a specific account refers to your willingness to accept risk or withstand both fluctuations in the value of the investments and volatility in the investment returns. Volatility is a part of investing; the greater the volatility, the greater the possible gains and/or losses.

Very Low: The capacity to accept only a very small amount of volatility. Security of capital is most important, as are predictable returns.

Low: The capacity to accept a small amount of volatility. Security of capital and the potential to earn some returns are important.

Below Average: The ability to accept some volatility. Minimal capital growth and the potential for returns are important.

Average: The ability to accept moderate volatility. Some capital growth and the potential for returns are important.

Above Average: The ability to accept substantial volatility. Capital growth potential is important.

High: The ability to accept very substantial volatility. Maximum capital growth potential is most important.

Risk capacity Risk capacity evaluates your overall capability to endure potential financial losses. This measure relies on your age, as well as information you have provided regarding your financial circumstances. We identify two categories of risk capacity:

Limited: A limited capability to absorb significant financial losses, including losses in the value of your investment account.

High: A high capability to absorb significant financial losses, including losses in the value of your investment account.

Investment time horizon Investment time horizon is the total time you expect investments to be held in your account, and takes into consideration any anticipated liquidity needs. This time frame includes both the period of investing where you are primarily accumulating assets and the period where you are primarily withdrawing assets (such as retirement).

Investor profile Investor profile considers, among other things, your investment objective, investment time horizon and risk profile.

Secure: The safety and security of the investments is the highest priority. An investor has only a very low or low risk tolerance and/or a shorter investment time frame.

Very Conservative: Some safety and security of the investments are priorities. An investor has at least a below average risk tolerance and a longer investment time frame.

Conservative: Reasonable safety and an ability to accept moderate fluctuations in the value of the investments. An investor has at least an average risk tolerance and a longer investment time frame.
**Balanced:** A balanced combination of income and moderate capital growth. An investor has at least an average risk tolerance and a longer investment time frame.

**Growth:** Capital growth of the investments is the priority. An investor has at least an above average risk tolerance and a longer investment time frame.

**Aggressive Growth:** Maximizing capital growth of the investments is the priority. An investor has a high risk tolerance and a longer investment time frame.

**Investment suitability assessment**

Securities legislation and MFDA rules require RMFI to determine that any recommendation it makes is suitable for you in keeping with, among other things, your stated investment objectives, investment time horizon, risk profile and other personal circumstances, and puts your interest first.

We will conduct a suitability assessment for any investments proposed by you, whether or not a recommendation is made. We reserve the right to decline to accept orders to purchase mutual funds for your account if, in our opinion, they are not suitable for you based on your KYC information.

RMFI will assess the suitability of the investments in your account(s) when:

- an order from you is received,
- a recommendation is made by us,
- within a reasonable time after securities are transferred into your account,
- there is a change in the mutual funds representative responsible for your account,
- we become aware of a material change in your KYC information that could result in your account not meeting the suitability determination requirements,
- we become aware of a change in an investment in your account that could result in your account not meeting the suitability determination requirements, or
- we conduct a periodic review of your KYC information.

RMFI does not necessarily assess the suitability of the investments in your account in the absence of these triggering events. For example, the occurrence of a significant market fluctuation would not generally trigger a suitability assessment.

We will contact you to review your KYC information and investment suitability at least once every 36 months.

**Procedures regarding handling of cash and cheques**

You can pay for a purchase by asking RMFI to transfer money from your bank account. You can give RMFI your instructions verbally, electronically or in writing. You must designate the bank account in writing before RMFI can do this. If your bank account is at a financial institution other than Royal Bank of Canada or Royal Trust, you may also need to give RMFI a void cheque for the account. You may also make a purchase by cheque made payable to “RBC.” Payments may not be made to any individual mutual funds representative. RBC will accept your payment on behalf of RMFI, which will then be directed towards your investment account.

**Statements, confirmations and reports**

RMFI will send you a statement of your account at least on a quarterly basis. The statement includes your account number and other account details, a summary of your investments along with their market values at the start and the end of the time period covered by the statement, the activity in your account during the period, opening and closing balances and an annualized rate of return for your investments for the period. The statement may also include your investments held with RMFI's affiliates, such as GICs held with Royal Bank of Canada. In this case, the annualized rate of return for the period will be determined based on the combined investments held in your account.

RMFI will send you a confirmation of every purchase, sale and switch transaction in your account. However, if you participate in a pre-authorized mutual fund purchase plan, RMFI will send you a confirmation only for the first purchase made under the plan. If you participate in a mutual fund rebalancing program, RMFI will not send you a confirmation in respect of rebalancing trades.

RMFI will send you a performance report and a report on charges and other compensation annually. Your performance report will include account percentage return information. Your report on charges and other compensation is a personalized report that provides details about the compensation received by RMFI over the past year for advice, access and service relating to the mutual funds in your account.
Fees and charges
A description of the fees and charges that you will or may incur relating to the general operation of your account(s) is set out in your Account Agreement. RMFI may receive commissions or other compensation from other parties with respect to the sale of certain investment products.

When considering the fees charged to your account, you should note that a fee charged to your investment account will compound over time as a deduction to the overall value of your account. Fees payable in respect of your account will reduce the amount invested in your account.

When you invest in mutual funds, you should understand how fees are charged to investment funds. Managers of investment funds usually receive a management fee equal to a specified percentage of the net assets of the fund. These management fees, as well as operating costs payable by the funds, are set out in the fund’s simplified prospectus and Fund Facts for each fund. Management fees and operating costs for funds, as well as associated taxes, are described as being the “management expense ratio” or “MER” of the fund. The MER of a fund is important because the fees and expenses affect the return on your investments.

Fund managers pay us a portion of their management fee called a trailing commission for the ongoing advice, access and service we provide to you. As an example, if you have invested $10,000 in a fund, a trailing commission of 0.50% would pay us $50 annually. This is not an additional charge paid by you to us.

In some circumstances you may be charged other fees in connection with mutual fund transactions such as early redemption fees, switch fees, short-term trading fees or account transfer fees. As mutual fund fees and costs vary by fund manager and product and account type, you should speak with your mutual funds representative to understand the charges related to you and to any particular transaction.

Investment performance benchmark
An investment performance benchmark is a standard for measuring and evaluating the performance of investments compared to markets in general. You may assess the performance of your investments by evaluating them against one or more performance benchmark(s) that is comparable to the holdings of your portfolio for the reporting period.

While RMFI does not provide performance benchmark information for your account, mutual fund managers, including RBC GAM, provide benchmarks for their mutual funds in their Management Report of Fund Performance.

Loans and leverage
“Leveraging” is a term used to describe the strategy of borrowing money from any source (such as a loan or line of credit) for investment purposes. Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money (from Royal Bank of Canada or another lender) to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

RMFI will advise you of the risks involved in purchasing securities, such as Funds using borrowed money, when we recommend the use of leveraging or become aware that you are using a leveraging strategy. This leveraging disclosure is included on your “Account Opening Information – Know Your Client (KYC)” form.

Trusted Contact Person
Securities rule amendments effective December 31, 2021 require RMFI to provide an opportunity for you to name and provide contact information for a person that you trust who is mature (regardless of age), is able to conduct potentially difficult conversations about your personal situation and preferably is not involved with making decisions for your account (“Trusted Contact Person” or “TCP”) at account opening and on a periodic basis.

If applicable in your personal circumstances, we may, in our discretion, contact your TCP(s) or your legal representative(s) on file with us if we notice signs of financial exploitation or if you exhibit signs of diminished mental capacity as it relates to decisions involving financial matters relating to your account(s). RMFI may also contact your TCP(s) to confirm your contact information if we are unsuccessful in contacting you after repeated attempts, particularly if failure to contact you is unusual. We may ask the TCP(s) to confirm the name and contact information of your legal representative(s) (e.g., attorney under a power of attorney or a legal guardian). You can change your TCP(s) or withdraw your consent for us to contact the TCP(s) by contacting your mutual funds representative or by calling 1-800-463-3863.

By providing TCP information, you have authorized us to contact the TCP(s), at our discretion, for the purposes noted above, and you have agreed to (i) notify the TCP(s) that you have identified them as your trusted contact, confirm your TCP(s) consents for us to communicate with them in accordance with the Account Agreement and advise us if they decline...
to serve as your TCP(s); and (ii) release us from all claims that relate to any decision we make regarding whether or not to contact the TCP(s), in your personal circumstances, and any information that we may share with the TCP(s).

Your participation in our relationship as a client

We'd like your help so we can serve you better: Please stay involved with your investments and in touch with your mutual funds representative. You can help us to help you by:

- Keeping us up to date. Please give us complete and accurate information about you, and let us know as soon as possible if there is any change in that information. For example, we need to know if you have a change in
  - personal circumstances (including employment status, dependents, occupation)
  - financial circumstances (including income, liquidity needs, net worth)
  - contact information
  - investment needs and objectives
  - risk tolerance
  - investment time horizon
- Being informed. Make sure you understand the potential risks and returns on your investments. Please carefully review the information we provide you about our products and services. You should consult with a professional tax and/or legal advisor on all matters relating to your investments, including your residency for tax purposes.
- Asking questions. Please ask your mutual funds representative for assistance with questions about your account, transactions or investments, or your relationship with RMFI. If you need more assistance, your mutual funds representative will be able to direct your question to get answers for you.
- Staying on top of your investments. Please review all the account documentation, statements and information we provide you about your portfolio holdings and performance.

The members of RBC believe that all of us – our clients and ourselves – stand to gain by being in contact, whether it’s to answer a question, solve a problem or share a success story. While we welcome any positive comments that you have, it is important that you inform us of any problem that you have with respect to the service or conduct of our mutual funds representatives so that we can resolve your issue and retain your confidence. We use your feedback to continuously improve the quality of the products and services that we provide to you and other clients. In addition, it is important to us to implement policies that will treat all clients in an equitable and fair manner.

If you have a complaint or concern with our services or our mutual funds representatives

The following is an overview of RMFI's client complaint examination and resolution process:

- While we do accept verbal complaints, we recommend that client complaints be put into writing. You may submit verbal or written complaints (by mail, fax or e-mail) to your mutual funds representative or to the Branch Manager that supervises such individual. If your complaint is incomplete or if information is missing, we will request that you submit supplemental information to us.
- All client complaints are promptly recorded in RMFI's client complaint register.
- Within five business days of receiving your written complaint, an initial acknowledgement letter together with an overview of our client complaint examination and resolution policy and a copy of the Mutual Fund Dealers Association of Canada's (MFDA) Client Complaint Information Form (CCIF), as applicable, will be sent to you. The CCIF form is reproduced below and also provided to you on account opening.
- We review all complaints fairly, taking into account all relevant documents and statements obtained from you, our records, our mutual funds representatives, other staff members and any other source.
- Generally, RMFI Compliance will investigate client complaints relating to potential issues under securities regulations. The Branch Manager will be the primary point of contact for the client during the client complaint process.
- We will respond to your complaint as soon as possible; however, our complaint examination process may take up to 90 calendar days, depending on the complexity of the matter. You will be provided with a status update if your complaint is going to take us longer than 90 days to respond to it.
- Our response may be an offer to resolve your complaint, a denial of the complaint with reasons or another appropriate response.
- If you do not receive RMFI's final response within 90 calendar days or if you are not satisfied with our final response, you may choose to escalate your complaint to the Ombudsman for Banking Services and Investments (OBSI) for their review.
You have up to 180 days after receiving RMFI’s final response to submit your complaint to the OBSI. The OBSI is a free, independent service for resolving investment disputes impartially and can recommend compensation of up to $350,000. The OBSI can be contacted as follows:

- Toll-free telephone: 1-888-451-4519
- Email: ombudsmen@obsi.ca
- Website: www.obsi.ca
- Fax: 1-888-422-2865

If you reside outside Quebec, you may make a complaint to the Mutual Fund Dealers Association of Canada (MFDA) at any time. The MFDA will investigate your complaint and take enforcement action where appropriate. The MFDA can be contacted as follows:

- Toll-free telephone: 1-888-466-6332
- Email: complaints@mfda.ca
- Mail to: 121 King Street West, Suite 1000, Toronto, ON M5H 3T9
- Fax: (416) 361-9073
- Online: www.mfda.ca

If you reside in Quebec and are not satisfied with the outcome or with our examination of your complaint, you may, at any time, request that your complaint file be transferred to the Autorité des marchés financiers (AMF). Once your file is transferred, the AMF will review it, recommend dispute resolution services and could offer you its mediation services if it deems it appropriate, with the agreement of the parties involved. Mediation is an amicable settlement process in which a mediator helps the parties reach a satisfactory agreement. Transferring your file to the AMF does not interrupt the prescriptive period for civil remedies. The AMF may be contacted as follows:

- Quebec City: 418-525-0337
- Montreal: 514-395-0337
- Toll-free: 1-877-525-0337
- Fax: 418-525-9512 or 514-873-3090
- E-mail: information@lautorite.qc.ca
- Website: www.lautorite.qc.ca

RMFI Compliance or the Branch Manager will act as the respondent to the AMF.

If you are not in agreement with our resolution, you may also seek independent legal counsel to advise you of your options and recourses including information regarding the applicable limitation periods in your province/territory.

Upon receipt of RMFI’s formal response, you may also escalate your concerns in writing to RBC Office of the Ombudsman (RBC Ombudsman). The RBC Ombudsman is an internal ombudsman which is employed by Royal Bank of Canada (RBC) and is not an independent dispute resolution service. The RBC Ombudsman’s services are completely voluntary and free. In your written appeal, please detail any outstanding issue(s) and your anticipated outcome(s). The estimated time that the RBC Ombudsman takes to review and provide a response to matters is within 90 days upon receipt of a signed client consent form; however, complex investigations may take longer to resolve. The RBC Ombudsman may be contacted as follows:

- Online: www.rbc.com/customercare
- Email: ombudsman@rbc.com
- Mail to: Office of the Ombudsman
  P.O. Box 1, Royal Bank Plaza, Toronto, ON M5J 2J5
- Fax: 416-974-6922

You may escalate your complaint to the OBSI, MFDA or AMF, as applicable, without going to the RBC Ombudsman. If you escalate the matter to the RBC Ombudsman, the limitation periods for escalation to the OBSI or commencement of a civil action continue to run while the RBC Ombudsman reviews your complaint. This may impact your ability to pursue a future civil claim. We advise you to consult your legal counsel accordingly.

RMFI Compliance will report client complaints to the regulators as required.

For more information about RMFI’s complaint handling process, please contact your mutual funds representative or the Branch Manager.
You can also visit RBC Royal Bank’s Make a Complaint website at https://www.rbc.com/customercare/index.html to learn about the steps you can take if you have a complaint about RBC Royal Bank or its products and services.

**Mutual Fund Dealers Association of Canada – Client complaint information form (CCIF)** Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- **Contact your mutual fund dealer.** Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities.
- The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- **Contact the Mutual Fund Dealers Association of Canada (MFDA),** which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
  - by completing the on-line complaint form at www.mfda.ca,
  - by telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332,
  - by e-mail at complaints@mfda.ca (Note: You may wish to consider issues of internet security when sending sensitive information by standard e-mail),
  - in writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9, or
  - by fax at (416) 361-9073.

**Compensation** The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- **OBSI:** You may make a complaint to OBSI after you have complained to the dealer, at either of the following times:
  - When the dealer’s Compliance Department has not responded to your complaint within 90 days of the date you complained, or
  - after the dealer’s Compliance Department has responded to your complaint and you are not satisfied with the response. **Please note that you have 180 calendar days to bring your complaint to OBSI after receiving the dealer’s response.**

OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to $350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:

- by telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519,
- by e-mail at ombudsman@obsi.ca.

- **Legal Assistance:** You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.

- **Manitoba, New Brunswick and Saskatchewan:** Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
  - Manitoba: www.msc.gov.mb.ca
  - New Brunswick: www.nbsc-cvmnb.ca
  - Saskatchewan: www.sfsc.gov.sk.ca
Quebec: If you are not satisfied with the outcome or with the examination of a complaint, the AMF can examine your complaint and may provide dispute resolution services. If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the Fonds d’indemnisation des services financiers (“Financial Services Compensation Fund”). An indemnity of up to $200,000 can be payable through monies accumulated in the fund for an eligible claim. For more information contact the AMF by telephone at (418) 525-0337 (in Quebec) or toll free at 1-877-525-0337, or visit www.lautorite.qc.ca.