

Important information about investment managers and trading practices



Wealth
Management

This document provides important information regarding the RBC Wealth Management (“RBC WM,” “we,” “us” or “our”) Consulting Solutions program, a separately managed account wrap fee program (“Program”).

Current and prospective RBC WM Program clients (“client(s),” “you” or “your”) should fully understand the trading practices employed by RBC WM and investment managers available through the Program.

RBC Wealth Management Consulting Solutions program

In the Consulting Solutions program, client accounts are managed by one or more professional investment managers participating in the Program. Investment managers available through the Program exercise discretion. These investment managers exercise discretion by not only creating and maintaining an investment portfolio, but also selecting the broker/dealer(s) they execute trade orders with. Once a trade order has been filled, the investment manager provides instructions for the allocation of shares to client accounts. Clients may provide instructions to the investment manager to direct all orders for their account to a specific broker/dealer.

Best execution obligations

As investment advisers registered with the Securities and Exchange Commission (“SEC”), investment managers have a fiduciary obligation to seek “best execution” of client trade orders. In meeting this obligation, an investment manager

must execute securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances. In assessing whether this standard is met, an investment manager should consider the full range and quality of a broker/dealer’s services when placing trades with them. These considerations may include, but are not limited to: price/yield competitiveness, execution capability and quality, commission rates, market impact, financial responsibility, operational efficiency, responsiveness to the adviser, knowledge of the relevant asset class/sector/specific security in which the adviser is transacting business, and other factors, as deemed appropriate. An investment manager fulfills its duty of best execution not by obtaining the best price or the lowest commission rate, as is often assumed to be the case, but rather, by establishing and maintaining a process through which the investment manager assures that it is giving due attention to each of the many factors affecting the quality of execution of client trades. Additionally, the perceptions of what

constitutes best execution in any given instance may vary.

Trade aggregation and rotation practices

Investment managers may participate in other wrap fee programs sponsored by firms other than RBC WM. In addition, investment managers may manage institutional and other accounts not part of a wrap fee program. Frequently, investment managers place orders to purchase or sell the same security for a number of clients invested in a particular investment strategy. Instead of effecting similar trades through a number of different broker/dealers, an investment manager may decide to aggregate such trades into a block trade that is executed through one broker/dealer. This practice may enable the investment manager to obtain a more favorable execution than would otherwise be available if the trades were not aggregated. As an aggregated order is executed, securities are allocated to clients in a fair and equitable manner over time, taking into consideration the interests of each client. Using

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

block trades may also assist the investment manager in potentially avoiding an adverse impact on the prices of a security that could result from simultaneously placing a number of separate, successive or competing trades.

Alternatively, an investment manager may utilize a trade rotation where one group of clients may have a transaction effected before or after another group of the investment manager's clients. Clients should be aware that an investment manager's trade rotation practices may at times result in a trade being effected for a client's account that occurs near or at the end of the investment manager's rotation and, in such event, the client's trade will significantly bear the market price impact, if any, of those trades executed earlier in the investment manager's trade rotation, and, as a result, the client may receive a less favorable net price for the trade.

Additional information regarding an investment manager's trade aggregation and rotation practices may be found in the investment manager's Form ADV Part 2A.

Investment managers and trading away

If investment managers trade away from RBC WM with other broker/dealers, you should understand that commissions, mark-ups, spreads, and other transactional charges for transactions not effected through RBC WM are charged to you by the executing broker/dealer, whereas the

Program fees assessed by RBC WM covers these costs when the trade is effected through RBC WM. The executing broker/dealers net these commissions, mark-ups, spreads and other transactional charges into the purchase or sale price of the trades and would not be delineated from the purchase or sale price found on your RBC WM trade confirmation, monthly transaction summary or statement. RBC WM does not restrict an investment manager's ability to trade away, as the responsibility to determine the suitability of trading away from RBC WM falls under the investment manager's expertise in trading the securities in their portfolio and their individual fiduciary duty to you. RBC WM does not evaluate whether an investment manager is meeting its best execution obligation when trading away. You should understand that RBC WM is not a party to transactions that are traded away from RBC WM and we are not in a position to negotiate the price or transaction related charge(s) with the executing broker/dealer.

Some investment managers have historically executed nearly all client trades with broker/dealers other than RBC WM. Some investment managers have executed some, if not all, trades that were a result of changes to their investment strategies with firms other than RBC WM while executing most, if not all, account maintenance trades (ex. trades need to invest a deposit or generate cash for withdrawal) with RBC WM. In some situations, trades done away from RBC WM are executed by

other broker/dealers without any additional commissions, mark-ups, spreads and other transactional charges. However, in other situations, commissions, mark-ups, spreads and other transactional charges may be assessed. These costs are in addition to the Program fee paid to RBC WM. As a result investment managers who execute trades with broker/dealers other than RBC WM may be more costly to clients than investment managers who primarily submit trades to RBC WM for execution. Clients should review the investment manager's Form ADV Part 2A for more information related to an investment manager's trading practices and consider this information carefully before selecting an investment manager. In particular, clients should carefully consider any additional trading costs they may incur before selecting an investment manager to manage their account.

The table on the next page, that includes data supplied to us by each investment manager that traded away from RBC WM in calendar years 2022 and 2023, reflects the frequency and number of trades done away from RBC WM as well as the additional cost of these trades, if any. The information provided below is based solely on what each investment manager provided to RBC WM. This data has not been independently verified by RBC WM. Please note that the information provided reflects historical data and may not be indicative of the current trade away frequency, amount of trades or cost of these trades.

Please note that this table does not include managers available in the Consulting Solutions program that did not trade away from RBC WM in calendar years 2022 and 2023.

	2022			2023		
	Dollar-Weighted Percentage of Client Trades Done Away from RBC WM	Average Additional Costs Incurred by Clients Participating in those Trades ¹	Number of Client Trades that were Traded Away from RBC WM	Dollar-Weighted Percentage of Client Trades Done Away from RBC WM	Average Additional Costs Incurred by Clients Participating in those Trades ¹	Number of Client Trades that were Traded Away from RBC WM
Equity and Balanced Investment Strategies						
Investment Manager/Investment Strategy						
Invesco Advisers						
U.S. REITS	70.74%	0	68,065	85.12%	0	32,143
Marshfield Associates						
Value Equity	Approx. 54.7% ²	See Note ²	Approx. 16,000 ²	Approx. 53.7% ³	See Note ³	Approx. 12,000 ³
RiverFront Investment Group						
Conservative Income Builder	68.30%	0 ⁴	26	37.16%	0 ⁴	17
Dynamic Equity Income	69.49%	0-0.5 ⁴	81	74.11%	0-0.5 ⁴	34
Global Allocation	68.58%	0-0.5 ⁴	81	77.71%	0-0.5 ⁴	33
Global Growth	66.02%	0-0.5 ⁴	66	70.61%	0 ⁴	21
Moderate Growth and Income	77.67%	0 ⁴	30	70.84%	0 ⁴	23

¹ Additional cost is expressed in terms of cents per share (“cps”) unless otherwise indicated. In some instances, the additional cost is expressed in terms of an average of basis points (“bps”).

² Marshfield: There were no trade aways for equities in calendar year 2022 for RBC Wealth Management’s Consulting Solutions program. All trade aways in 2022 for the Consulting Solutions program were comprised of treasury bills.

Marshfield confirmed that, to the best of their knowledge, no additional costs were incurred by clients participating in trades done away.

³ Marshfield: There were no trade aways for equities in calendar year 2023 for RBC Wealth Management’s Consulting Solutions program. All trade aways in 2023 for the Consulting Solutions program were comprised of treasury bills.

Marshfield confirmed that, to the best of their knowledge, no additional costs were incurred by clients participating in trades done away.

⁴ RiverFront: For many, if not all Trade Away Transactions, there was likely no disclosed markup/markdown. In these instances, the undisclosed markup or markdown was netted into the price the client received. Since the executing broker did not provide data to RiverFront regarding the dollar amount of the markup or markdown in these instances, RiverFront could not disclose an amount to the client, and has listed “0” in this column until such time as RiverFront is able to provide additional information, if any. The cents per share (cps) information reflects the average cents per share and was rounded to the second decimal point or shown as a range if the amount would otherwise have been rounded down to “0”. These types of trades include, but are not limited to, transactions in shares of ETPs in which an Authorized Participant or market maker provided RiverFront with a two-sided market for execution. Once the trade was complete, however, RiverFront sent a written request to the executing broker to confirm, in writing, trade information, including markup/markdowns. To the best of their ability, therefore, RiverFront sought to obtain and provide to clients the markup/markdowns disclosed to them from the executing broker, either through trade confirmations or in other written form. Please see <https://www.riverfrontig.com/wrap-fee-trading-disclosures/> for more information on RiverFront’s wrap fee trading disclosures.

Please note that this table does not include managers available in the Consulting Solutions program that did not trade away from RBC WM in calendar years 2022 and 2023.

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Fixed Income Investment Strategies						
Investment Manager/Investment Strategy						
AllianceBernstein (AB)						
Tax Aware	62%	0	4,026	58%	0	3,840
Appleton Partners Inc.						
Intermediate Municipal	100%	None	100%	99.7%	None	776
Belle Haven Investments						
Taxable Plus	100% ⁵	None ⁵	All ⁵	100% ⁵	None ⁵	All ⁵
Taxable Ladder Plus	100% ⁵	None ⁵	All ⁵	100% ⁵	None ⁵	All ⁵
Ladder Plus	100% ⁵	None ⁵	All ⁵	100% ⁵	None ⁵	All ⁵
BlackRock Asset Management						
Fundamental Core Taxable Fixed Income	100%	None	All	100%	None	1,095 ⁶
Intermediate Taxable Fixed Income	100%	None	All	100%	None	2,282 ⁶
Intermediate Term Municipal Fixed Income	100%	None	All	100%	None	123 ⁶
Long Term Municipal Fixed Income	100%	None	All	100%	None	73 ⁶
Short Term Municipal Fixed Income	100%	None	All	100%	None	123 ⁶
Short Term Taxable Fixed Income	100%	None	All	100%	None	855 ⁶
Laddered Municipal (1-10 Year) Fixed Income	Not Applicable ⁷	Not Applicable ⁷	Not Applicable ⁷	100%	None	12
Laddered Municipal (1-5 Year) Fixed Income	Not Applicable ⁷	Not Applicable ⁷	Not Applicable ⁷	See Note ⁸	See Note ⁸	See Note ⁸
Laddered Municipal (5-15 Year) Fixed Income	Not Applicable ⁷	Not Applicable ⁷	Not Applicable ⁷	See Note ⁸	See Note ⁸	See Note ⁸
Cincinnati Asset Management						
Broad Market Taxable	100%	None ⁹	442	100%	None ⁹	500
High Yield Corporate	100%	None ⁹	151	100%	None ⁹	213
Investment Grade Corporate	100%	None ⁹	898	100%	None ⁹	655
Short Duration Broad Market	100%	None ⁹	47	100%	None ⁹	35
Delaware Investments						
Aggregate Duration US Government	100%	None	215	100%	None	203
Intermediate Duration US Government	100%	None	677	100%	None	770
GW&K Investment Management						
Municipal Bond Strategy	100%	See Note ¹⁰	All	100%	See Note ¹⁰	All

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Fixed Income Investment Strategies						
Investment Manager/Investment Strategy						
Invesco Advisers						
Investment Grade Government/Credit Enhanced Cash	Not Applicable ¹¹	Not Applicable ¹¹	Not Applicable ¹¹	See Note ¹²	See Note ¹²	See Note ¹²
Investment Grade Government/Credit Short Term	Not Applicable ¹¹	Not Applicable ¹¹	Not Applicable ¹¹	100%	None	41
Investment Grade Government/Credit Short Term ESG	Not Applicable ¹¹	Not Applicable ¹¹	Not Applicable ¹¹	See Note ¹²	See Note ¹²	See Note ¹²
Investment Grade Government/Credit Intermediate Term	Not Applicable ¹¹	Not Applicable ¹¹	Not Applicable ¹¹	100%	None	24
Investment Grade Government/Credit Intermediate Term ESG	Not Applicable ¹¹	Not Applicable ¹¹	Not Applicable ¹¹	100%	None	48
Tax-Free Enhanced Cash	Not Applicable ¹¹	Not Applicable ¹¹	Not Applicable ¹¹	See Note ¹²	See Note ¹²	See Note ¹²
Tax-Free Limited Term	Not Applicable ¹¹	Not Applicable ¹¹	Not Applicable ¹¹	100%	None	52
Tax-Free Limited Term ESG	Not Applicable ¹¹	Not Applicable ¹¹	Not Applicable ¹¹	See Note ¹²	See Note ¹²	See Note ¹²
Loomis Sayles						
Intermediate Maturity Municipal	100%	See Note ¹³	1,642	100%	See Note ¹³	1,860
Medium Municipal	100%	See Note ¹³	495	100%	See Note ¹³	836
Lord Abbett						
Intermediate Tax-Exempt Fixed Income SMA	98%	None	198	100%	None	779
Madison Investment Advisors						
Investment Grade Intermediate Government/Corporate	100%	None ¹⁴	605	100%	None ¹⁵	997
Intermediate Government/Corporate	100%	None ¹⁴	324	100%	None ¹⁵	652
Nuveen Asset Management						
Intermediate Maturity Municipal	99%	See Note ¹⁶	13,384	99%	See Note ¹⁶	11,859
Limited Maturity Municipal	99%	See Note ¹⁶	500	99%	See Note ¹⁶	317
Long Maturity Municipal	99%	See Note ¹⁶	1,477	99%	See Note ¹⁶	1,306
Municipal Ladder 10-25 year	99%	See Note ¹⁶	158	99%	See Note ¹⁶	1,126
Municipal Ladder 1-10 year	99%	See Note ¹⁶	601	99%	See Note ¹⁶	1,946
Municipal Ladder 1-15 year	99%	See Note ¹⁶	257	99%	See Note ¹⁶	609
Municipal Ladder 1-7 year	99%	See Note ¹⁶	272	99%	See Note ¹⁶	592
Municipal Ladder 5-15 year	97%	See Note ¹⁶	1,593	99%	See Note ¹⁶	980

	2022			2023		
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Fixed Income Investment Strategies						
Investment Manager/Investment Strategy						
Parametric Portfolio Associates						
TABS Managed Municipal Intermediate	100%	None	All	100%	None	All
TABS Managed Municipal Long	100%	None	All	100%	None	All
TABS Managed Municipal Short	100%	None	All	100%	None	All
TABS Municipal Ladder Short	Not Applicable ¹⁷	Not Applicable ¹⁷	Not Applicable ¹⁷	See Note ¹⁸	See Note ¹⁸	See Note ¹⁸
TABS Municipal Ladder Intermediate	Not Applicable ¹⁷	Not Applicable ¹⁷	Not Applicable ¹⁷	100%	None	All
TABS Municipal Ladder Long	Not Applicable ¹⁷	Not Applicable ¹⁷	Not Applicable ¹⁷	100%	None	All
TABS Municipal Ladder Long Plus	Not Applicable ¹⁷	Not Applicable ¹⁷	Not Applicable ¹⁷	See Note ¹⁸	See Note ¹⁸	See Note ¹⁸
TABS Total Return Intermediate	100%	None	All	100%	None	All
TABS Total Return Limited	100%	None	All	100%	None	All
TABS Total Return Long	100%	None	All	100%	None	All
RBC Global Asset Management						
Intermediate Muni	100%	None	171	100%	None	304
Reinhart Investment Partners						
Active Intermediate	100%	None ¹⁴	362	100%	None ¹⁵	638
Seix Investment Advisors						
High Yield	100%	None	All	100%	None	3,265
Western Asset						
Core Plus	100% ¹⁹	None	3,542 ¹⁹	100% ¹⁹	None	3,112 ¹⁹

- ⁵ Belle Haven: Belle Haven confirmed that they will trade away 100% of the time as they utilize their own broker/dealer to execute trades on behalf of advisory clients, which has allowed them to provide best execution and minimize trading costs by not charging any commissions, mark ups or mark downs.
- ⁶ BlackRock: BlackRock provided the exact number of client trades that were traded away in calendar year 2023. They confirmed that they traded away 100% of fixed income trades in 2023.
- ⁷ BlackRock: The BlackRock Laddered Municipal Fixed Income portfolios were added to Consulting Solutions in October 2023.
- ⁸ BlackRock: The BlackRock Laddered Municipal Fixed Income portfolios were added to the Consulting Solutions program in October 2023. There were no RBC WM Consulting Solutions accounts invested in the BlackRock Laddered Municipal (1-5 Year) Fixed Income or BlackRock Laddered Municipal (5-15 Year) Fixed Income portfolios during 2023 and as a result, there were no trades done away from RBC WM. Clients should carefully consider an investment manager's trading practices before selecting an investment manager. In particular, clients should carefully consider any additional trading costs they may incur before selecting an investment manager to manage their account. According to BlackRock, they will execute all trades for these portfolios with broker/dealers other than RBC WM, at no additional cost to clients. Please contact BlackRock for more information.
- ⁹ Cincinnati: Trades were aggregated and executed on an institutional, or net, basis. Bid/ask spread was the only source of B/D compensation.
- ¹⁰ GW&K: GW&K reported that there are no additional explicit costs for client trades done away from RBC WM in fixed income securities. As GW&K is an investment advisor and not a broker/dealer, they neither receive any economic benefit from trading activity, nor do they directly control the degree of mark-up or mark-down that may be applied by brokers GW&K engages on behalf of their fixed income clients. That said, GW&K has high conviction that their greatest opportunity to achieve best execution in municipal and taxable bond trading is to leverage institutional trading relationships, aggregate trade volume influence, regional and sector expertise, and other factors made available through having discretion over such transactions. Moreover, they believe through trading large blocks of bonds with institutional trading partners when compared to what most program sponsor desks may execute in smaller increments, perhaps even on an account-by-account basis, GW&K is not only not adding additional cost, but that clients are benefiting from their trading expertise and paying less.
- ¹¹ Invesco: The Invesco Investment Grade Government/Credit portfolios were added to Consulting Solutions in September 2023. The Invesco Tax-Free portfolios were added to Consulting Solutions in August 2023.
- ¹² Invesco: The Invesco Investment Grade Government/Credit portfolios were added to Consulting Solutions in September 2023. The Invesco Tax-Free portfolios were added to Consulting Solutions in August 2023. There were no RBC WM Consulting Solutions accounts invested in the Invesco Investment Grade Government/Credit Enhanced Cash, Invesco Investment Grade Government/Credit Short Term ESG, Invesco Tax-Free Enhanced Cash and Tax-Free Limited Term ESG portfolios during 2023 and as a result, there were no trades done away from RBC WM. Clients should carefully consider an investment manager's trading practices before selecting an investment manager. In particular, clients should carefully consider any additional trading costs they may incur before selecting an investment manager to manage their account. According to Invesco, they will execute all trades for these portfolios with broker/dealers other than RBC WM, at no additional cost to clients. Please contact Invesco for more information.
- ¹³ Loomis Sayles: Loomis Sayles is responsible for identifying bonds that best fit its municipal bond strategies. Every bond that trades in the market has a "bid/ask spread." When Loomis Sayles trades away for a bond to a dealer, it is buying the bond for the client at the "ask" price and selling the bond at the "bid" price. The difference between the "bid" and "ask" prices is the "spread." This spread which is imbedded in the net price and is not disclosed by the dealer, could be viewed as an additional imbedded cost that a client may incur. However, the client incurs this spread regardless of whether Loomis trades away to another dealer or executes the trade through sponsor/custodian.
- ¹⁴ Madison/Reinhart: 100% of the trades Madison/Reinhart conducted during 2022 for RBC WM Consulting Solutions accounts invested in their fixed income strategies were executed as trades done away from RBC WM to avoid conflicts with principal/agency status of sponsor firms and to ensure best execution for clients. When Madison/Reinhart traded away for fixed income accounts, trading lists were sent to multiple dealers in order to get best execution. Dealers were not paid a fee for bond transactions, but instead were compensated by the bid/ask spread. As such, there were no additional costs beyond the bid/ask spread that were charged as a result of fixed income transactions traded away from RBC WM. Madison/Reinhart has sought to buy/sell full positions, but markets occasionally required them to buy/sell partial positions. In such cases, allocation post-trade occurred and Madison/Reinhart applied securities/proceeds pro rata across effected accounts. By aggregating the purchases or sales of a broader base of clients, including those who use other brokers and/or custodians, Madison/Reinhart may have been able to find additional bonds available in larger blocks, resulting in better overall prices.
- ¹⁵ Madison/Reinhart: 100% of the trades Madison/Reinhart conducted during 2023 for RBC WM Consulting Solutions accounts invested in their fixed income strategies were executed as trades done away from RBC WM to avoid conflicts with principal/agency status of sponsor firms and to ensure best execution for clients. When Madison/Reinhart traded away for fixed income accounts, trading lists were sent to multiple dealers in order to get best execution. Dealers were not paid a fee for bond transactions, but instead were compensated by the bid/ask spread. As such, there were no additional costs beyond the bid/ask spread that were charged as a result of fixed income transactions traded away from RBC WM. Madison/Reinhart has sought to buy/sell full positions, but markets occasionally required them to buy/sell partial positions. In such cases, allocation post-trade occurred and Madison/Reinhart applied securities/proceeds pro rata across effected accounts. By aggregating the purchases or sales of a broader base of clients, including those who use other brokers and/or custodians, Madison/Reinhart may have been able to find additional bonds available in larger blocks, resulting in better overall prices.
- ¹⁶ Nuveen: Where Nuveen Asset Management trades away, clients generally incur transaction and other costs and fees in addition to the wrap fee. These fees are generally in the form of mark-ups and mark-downs, or spreads, earned by the relevant securities dealer (not Nuveen Asset Management or a Nuveen affiliate). For secondary market trades, dealer trading mark-ups typically range from 1 to 10 basis points (a few cents to several dollars) per bond depending on several factors, including position size, market strength or weakness and holding period among others. For primary market (new issue) trades, there are no additional trading costs.
- ¹⁷ Parametric: The Parametric TABS Municipal Laddered Portfolios were added to Consulting Solutions in August 2023.
- ¹⁸ Parametric: The Parametric TABS Municipal Laddered Portfolios were added to Consulting Solutions in August 2023. There were no RBC WM Consulting Solutions accounts invested in the Parametric TABS Municipal Ladder Short and Parametric TABS Municipal Ladder Long Plus portfolios during 2023 and as a result, there were no trades done away from RBC WM. Clients should carefully consider an investment manager's trading practices before selecting an investment manager. In particular, clients should carefully consider any additional trading costs they may incur before selecting an investment manager to manage their account. According to Parametric, they will execute all trades for these portfolios with broker/dealers other than RBC WM, at no additional cost to clients. Please contact Parametric for more information.
- ¹⁹ Western: Information provided excludes SMASH mutual funds. SMASH mutual funds were traded directly with RBC WM and as such no additional trading costs were incurred.



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