



RBC Global Asset Management Inc.  
155 Wellington Street West,  
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Toronto, ON M5G 3K7

October 23, 2020

Valerie Lockerbie  
Head of Legal and Regulatory Neo Exchange Inc.  
155 University Avenue, Suite 400  
Toronto, ON M5H 3B7  
legal@neostockexchange.com

Copy to:  
Market Regulation Branch  
Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8  
marketregulation@osc.gov.on.ca

RE: NEO Exchange Request for Comments on Proposed Significant Change to the Treatment of Weighted Closing Price Eligible Securities

Dear Ms. Lockerbie,

We would like to thank the NEO Exchange for this opportunity to offer our comments and observations regarding the proposed change of how closing prices are calculated for eligible securities that trade infrequently. RBC Global Asset Management Inc. ("RBC GAM") is part of the asset management division of Royal Bank of Canada and is one of the largest asset managers in Canada. RBC GAM and certain of its affiliated companies are providers of global investment management services and solutions to institutional, high-net-worth and individual investors through separate accounts, pooled funds, mutual funds, hedge funds, exchange-traded funds and specialty investment strategies. The RBC Global Asset Management group of companies manage approximately \$520 billion in assets and have approximately 1,400 employees located across Canada, the United States, Europe and Asia. Through RBC GAM's alliance with BlackRock Asset Management Canada Limited ("BlackRock Canada"), the exchange-traded funds ("ETFs") managed by RBC GAM have been brought together with the ETFs managed by BlackRock Canada under the brand "RBC iShares" which represents Canada's most comprehensive ETF offering of over 170 ETFs.

RBC GAM is supportive of NEO Exchange's proposal to calculate and publish a Weighted Closing Price for all NEO listed ETFs and view it as an important enhancement to the way closing prices for less frequently traded ETFs are determined.

ETFs leverage the same market infrastructure as traditional equities. However, as the ETF industry has grown and evolved the traditional equity focused market structure has not evolved to keep pace.

The fragmented nature of today's trading market environment means that equity securities, including ETFs, can trade on a number of venues throughout the day. However, today security closing prices are determined by the last trade on the security's listing venue. Where a security has traded away from the listing venue, or not traded that day, the closing price may represent a value not indicative of where it last traded, or in the case of an ETF, its net asset value (NAV).

NEO Exchange's proposal serves to ensure that every NEO listed ETF would have a relevant and meaningful closing price available to the marketplace; one that we believe is more indicative of an ETF's current market value.

We believe having a relevant and meaningful closing price for all ETFs each day would have a positive impact on clients, advisors and ETF manufacturers, and would encourage all Canadian equity exchanges to review their



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policies for determining the closing prices of securities, particularly for less frequently traded securities.

We appreciate the opportunity to have shared our perspective. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark Neill', with a stylized flourish at the end.

Mark Neill  
Head, RBC ETFs  
RBC Global Asset Management Inc.