Via email

July 22, 2022

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and

The Secretary
Ontario Securities Commission
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Dear Sirs/Mesdames,

Re: Proposed Amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and to Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("31-103CP") and Proposed *CCIR Individual Variable Insurance Contract Ongoing Disclosure Guidance* Total Cost Reporting for Investment Funds and Segregated Funds (the "Proposed Amendments, or CRM3")

We are pleased to submit this comment letter regarding the Proposed Amendments on behalf of the following affiliates of Royal Bank of Canada (RBC): RBC Dominion Securities Inc., RBC Direct Investing Inc., Royal Mutual Funds Inc., RBC Global Asset Management Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC InvestEase Inc. and Phillips, Hager & North Investment Funds Ltd.

RBC is committed to providing products and services that will meet the needs of a broad, diverse and evolving investing population. This commitment is evidenced by the continuum of service offerings that RBC has adopted over the years to support varying client needs and preferences, ranging from the self-directed investor, to the investor seeking accessible investment advice, to the investor requiring more personal advisory services, to the investor seeking holistic, discretionary services. Further, RBC offers an extensive variety of investment products, including access to both Canadian-based and international products, to meet our clients' investment objectives. The range, scale and diversity of RBC's wealth and asset management businesses well-positions RBC to assess the potential impact of CRM3 on a wide range of investors and on the businesses who serve those investors – and importantly from an investment fund manager and dealer/advisor perspective.

RBC supports the goals articulated in the Proposed Amendments to improve investors' awareness of ongoing embedded fees that form part of the cost of owning investment funds and segregated funds, and

RBC is committed to working with its industry partners and regulatory authorities to achieve these goals. In furtherance of these goals, RBC would like to bring to the attention of the Canadian Securities Administrators ("CSA") and the Canadian Council of Insurance Regulators ("CCIR") certain aspects of the Proposed Amendments that raise a number of questions and potential challenges which must be addressed in order to achieve a solution that is helpful to investors and that can be effectively implemented by industry participants. We urge the CSA and CCIR, once they have assessed feedback from industry participants regarding the significant challenges associated with implementing the Proposed Amendments, to revisit their cost-benefit analysis of the Proposed Amendments and to consider whether there are alternative means of achieving their goals.

Should the CSA and CCIR wish to continue consideration of the Proposed Amendments, we strongly urge the CSA and CCIR to establish a pre-implementation committee to facilitate detailed comments on operational considerations from industry experts shared with CSA and CCIR membership prior to publishing the final amendments. A pre-implementation committee would seek to minimize unintended consequences of the Proposed Amendments by carefully reviewing each requirement in detail. We anticipate that the committee may also reduce the need for post-implementation exemptive relief and/or FAQs by addressing key matters in advance of final rule publication. RBC would be an enthusiastic participant in such a pre-implementation committee, drawing on our deep knowledge and experience gained from serving Canadian investors across multiple securities registrants and through multiple platforms.

We would also urge the CSA and the CCIR to proceed with a phased approach to implementation of CRM3 to minimize the risks of inaccurate and/or misleading disclosures and to manage the regulatory burden associated with compliance. Such an approach would be consistent with prior regulatory proposals such as CRM2 and Client Focused Reforms.

Summary of Key Comments:

Our comments are focused on the following key items:

- The annual report on charges and other compensation is the appropriate disclosure document to include information regarding fund expenses to help improve investor education while seeking to minimize regulatory burden. It is not appropriate to include Fund Expense Ratios in quarterly or monthly account statements. Without context of fund performance, the additional disclosure is likely to cause investor confusion and possibly drive investor decision-making that focuses solely on cost minimization.

- Based on our review of the implementation experience of similar total cost reporting in the United Kingdom and consideration of same in the United States, we believe that these jurisdictions provide lessons that can be applied to the Canadian landscape, particularly in the areas of regulatory burden and investor education.

- The Proposed Amendments introduce a high degree of complexity and extensive systems and process changes, impacting investment fund managers, dealers/advisors, intermediaries, and investors. We urge the CSA and CCIR to establish a pre-implementation committee prior to publishing the final amendments to facilitate a detailed operational review from industry participants.

Specific Comments:

The Proposed Amendments would add two new, key elements to client reporting under NI 31-103: (1) the inclusion of Fund Expense Ratios (refers collectively to the Management Expense Ratio and the Trading Expense Ratio), stated as a percentage for each investment fund held by a client, in quarterly or monthly account statements and (2) the inclusion of an all-in dollar amount of fund expenses and direct investment fund charges, for all investment funds held by a client during the year, in the client's annual report on charges and other compensation.

I. Fund Expense Ratios are more appropriately disclosed in the Annual Report on Charges and Other Compensation

We do not believe that it is appropriate to list Fund Expense Ratios in quarterly or monthly account statements. These statements fulfill a specific requirement to inform clients of their transaction activity during the period, as well as period end security positions and cash balances. Providing fund expense related information on such statements which do not otherwise contain any expense related information would be confusing to investors. Providing clients with itemized Fund Expense Ratios on a monthly or quarterly basis – without the full context of corresponding costs (e.g. transaction or account charges) or performance information – could lead investors to pursue investment decisions that are driven solely by cost minimization, as opposed to longer-term strategic investment objectives.

There is particular concern that retail investors when presented with Fund Expense Ratios in account statements could act in a manner contrary to their investment needs and objectives, time horizon and risk profile. For example, during a period of declining investment returns, a client's costs could remain consistent while investment returns decline. In the *Know Your Product* guidance set out in the Companion Policy to NI 31-103, the ongoing costs of owning a security are one element (among several) to be considered by a registrant. An over-emphasis on costs introduced by quarterly or monthly Fund Expense Ratio disclosures could motivate an investor to sell their positions in the short-term to minimize costs. Ultimately, vulnerable investors could be negatively impacted by the over-rotation to information regarding costs. For further insights on these concerns, please refer to the submission by the Investment Funds Institute of Canada.
Further, repeating Fund Expense Ratios for every investment fund held by clients on these reports, which can be received by some clients as frequently as monthly, would be unnecessarily duplicative, and in our view would not provide meaningful information for investors. Fund Expense Ratios generally are materially consistent from quarter-to-quarter, or from month-to-month.

From an operational perspective, we have concerns that the process of gathering accurate Fund Expense Ratios and incorporating them into quarterly or monthly statements could impact dealers' ability to deliver these statements quickly and may prevent clients from receiving the other time-sensitive information they need and rely on. Further, there is currently no process in place for the dissemination of MER and TER information from fund manufacturers to dealers on an ongoing basis. A process would need to be built which requires coordination amongst all industry participants (fund manufacturers, dealers/advisors, and intermediaries such as Fundserv for the transmission of data). Also, requiring the reporting of Fund Expense Ratios on quarterly or monthly account statements would require the reporting of this information more frequently than MERs and TERs are required to be reported under current regulation.

We believe that the annual report on charges and other compensation is the appropriate report to include information regarding fund expenses, if this can be achieved in a feasible manner. These reports are used to facilitate conversations with clients regarding the costs associated with their accounts and investments, and we believe that an annual consideration of these charges and costs is appropriate.

II. Important Lessons from Total Cost Reporting Initiatives in the U.K and U.S.

United Kingdom

We are cognizant of some of the challenges faced when similar costs and charges disclosure requirements were introduced in the United Kingdom in 2018. In the UK, firms were in particular challenged in disclosing third-party costs and charges. The Financial Conduct Authority ("FCA"), in a post-rule implementation review, found evidence that firms were not sharing their costs and charges with each other to meet their obligations to provide aggregated figures to clients. The FCA further found that firms were not interpreting the rules consistently, and firms that did not demonstrate compliance with the rules often said it was because it was difficult to get all of the required data from third parties. In the UK experience, the FCA found that firms had been seeking to comply with the new requirements, but that their efforts were hampered by

required data not being available. Firms' difficulties were compounded when they tried to apply disclosure to non-MiFID products in their efforts to deliver greater transparency to customers.[1]

United States

The U.S. Securities and Exchange Commission ("SEC") had considered adopting rules similar to the Proposed Amendments; namely, to provide fund shareholders with account statements that would include the dollar amount of fund fees that investors indirectly paid. However, the SEC ultimately concluded that providing fund shareholders with personalized information would impose undue costs to industry and, ultimately, to investors and rejected introducing such rules:

> As *the Commission considers how to best disclose to investors the fees and expenses that they incur with investment in a fund, including whether it would be appropriate for fund account statements to include personalized information about expenses or other fund-related data, it will need to consider the advantages and disadvantages of each alternative. For example, providing fund shareholders with personalized information, expressed as a dollar amount, about the fees and expenses that they paid indirectly during the year might increase shareholder awareness of fund fees and expenses. On the other hand, fees and expenses would need to be presented on a standardized basis - i.e., as a percentage of fund assets, for a defined time period, calculated in a manner that is uniform for all funds. Finally, as indicated in the GAO report, the compliance cost associated with a new personalized expense disclosure requirement, which ultimately would be borne by fund shareholders, may be considerable. Computer programs that perform shareholder accounting functions would have to be revised and other costs would be incurred. Administrative difficulties would present an additional obstacle. Shareholder accounting often is performed not by the fund, but by a broker-dealer who, in many cases, has no affiliation with the fund. Moreover, many investors hold their shares in omnibus accounts with broker-dealers. These broker-dealers do not have the information that would be needed to calculate the dollar amount of fees attributable to individual fund shareholders and would have to develop interfaces with the record owners of these accounts.*[2]

The SEC identified precisely the same challenges that would arise should Canadian market participants attempt to implement the Proposed Amendments. The SEC ultimately proceeded with an alternative approach requiring fund-level disclosure of costs in dollars associated with a standardized amount, akin to what already exists in Canada[3]. The SEC also noted that there are other methods of enhancing investor awareness regarding fund expenses, and the SEC recognized that it has an important role to play in improving the financial literacy of investors with respect to mutual funds and their costs. The SEC has developed educational materials that help investors understand mutual fund fees. Canadian industry participants, together with Canadian regulatory authorities, could potentially develop similar materials. See, for example, the Investor Bulletin created by the SEC's Office of Investor Education and Advocacy: https://www.sec.gov/investor/alerts/ib_fees_expenses.pdf

III. Proposal to Include Aggregate Fund Expenses in Annual Report on Charges and Other Compensation Raises Challenges and Requires a Refreshed Cost-Benefit Analysis

As noted above, while we believe that it would be more appropriate to include information regarding fund expenses in clients' annual report on charges and compensation (as opposed to itemizing Fund Expense Ratios in quarterly or monthly statements), the Proposed Amendments raise significant questions and concerns as to how this can be implemented.

RBC stands ready to coordinate in good faith with other industry participants, service providers and regulatory authorities to achieve a workable solution to provide investors with a better appreciation of fund expenses. However, the recent experience of the order-execution-only (OEO) trailer ban, and the time, effort and complication associated with achieving an industry solution to implement the ban is instructive.

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[1] https://www.fca.org.uk/publications/multi-firm-reviews/mifid-ii-costs-and-charges-disclosures-review-findings

[2] https://www.sec.gov/news/studies/feestudy.htm (the "Fee Study")

[3] In declining to require individualized fee disclosures, the SEC recognized that "[e]stimates of the costs of these changes are substantial." Shareholder Reports and Quarterly Portfolio Disclosure of Registered Management Investment Companies, Investment Company Act Release No. 26372 (Feb. 27, 2004) [69 Fed. Reg. 11244 (Mar. 9, 2004)], https://www.sec.gov/rules/final/33-8393.htm, at paragraph accompanying n.36.

The OEO trailer ban applied principally to discount dealers and investment fund managers whose funds they distribute. CRM3 will apply to all categories of dealers/advisors and to a much broader group of investment fund managers. We anticipate that the level of complexity will be several factors greater than that which was involved in implementing the OEO trailer ban. We also anticipate challenges insofar as some of the industry participants, such as foreign fund managers, who would need to come to the table are outside of the CSA's jurisdiction and therefore may not feel compelled from a regulatory perspective to provide the required level of cooperation.

RBC's CRM2 implementation expenditure was significant and costs continue to be incurred to provide ongoing CRM2-level reporting. In comparison, CRM3 will involve increased complexity, a wider scope of industry stakeholders, significant costs, and increased operational risk. For these reasons, we feel it is imperative that the Proposed Amendments reflect industry feedback and that its benefits exceed the implementation costs and risks. Ultimately, a meaningful portion of costs to industry participants will be borne by investors.

Proposed Section 14.17.1 contains several provisions that would, in our view, place an undue burden on dealers/advisors to verify and/or attempt to source information where it is not reliably provided to the dealer by the investment fund manager of the applicable fund. Dealers/advisors will necessarily be dependent on investment fund managers to receive accurate and timely information in order to include reliable data in reports to clients. Proposed subsection 14.17.1(2) would place too high an onus on dealers in obliging them to find alternative sources of information should the investment fund manager fail to provide the requisite information or should the dealer determine that the information is incomplete/misleading. Similarly, subsection 14.17.1(3) places too high of an onus on dealers to source information by "other means" in situations where information is not publicly available or is more than 12 months old. Dealers/advisors must be able to rely on fund-level information provided by those best-placed to reliably provide it (i.e. the investment fund managers).

If no information is provided to dealers/advisors, then a notation should be added to the clients' annual report on charges and compensation stating that no information is available. Similarly, we recommend that the CSA and CCIR incorporate required disclosure language in the annual report on charges and other compensation, which explains to investors that the information disclosed has been provided by investment fund managers and is calculated based on investment funds' most recently filed information.

Further, we note that the Proposed Amendments include reference to a "reasonable period of time", which we believe warrants additional clarity. We propose that an industry standard be provided in this regard in order to ensure consistency across the industry for both investment fund managers who are providing the information and for dealers/advisors who are utilizing the information for reporting to their clients.

IV. Responses to CSA's Specific Questions Regarding the Proposed Securities Amendments (Annex A to the Proposed Amendments)

Consistent with our view that it is not appropriate to list the Fund Expense Ratios in quarterly or monthly statements, we have focused our comments to the proposals relating to the annual report on charges and other compensation.

1. *Do you anticipate implementation issues related to the inclusion of any of the following in the Proposed Securities Amendments,*
    a. *exchange-traded funds,*
    b. *prospectus-exempt investment funds,*
    c. *scholarship plans,*
    d. *labour-sponsored funds,*
    e. *foreign investment funds?*

RESPONSE: YES. To achieve a scalable, consistent solution to deliver an all-in dollar amount presentation of investors' fund-related expenses, industry participants will likely need to engage service providers such as Fundserv and Broadridge. To the extent these service providers do not cover certain types of investment

funds or there are dealers who transact in funds without the use of Fundserv, it may not be feasible to include those funds in a solution as a first stage.

Exchange-traded funds (including closed-end funds): We anticipate significant challenges in attempting to implement the Proposed Amendments with respect to exchange-traded funds, as set out in more detail below, and we suggest that exchange-traded funds be excluded from the initial scope of CRM3.

There is no current mechanism to facilitate the transfer of exchange-traded fund expense information from fund managers to dealers. Further, exchange-traded fund managers do not maintain a record of unitholders. As a result, fund managers are not able to assist with the calculation of the dollar cost of ownership for exchange-traded funds because they have no visibility on the unitholders. Further, because dealers do not currently have the ability to store daily NAV information, it would be challenging for dealers to calculate the dollar cost of ownership for the exchange-traded funds owned by their clients. Accordingly, a significant technology build for fund managers and dealers would be required to facilitate the transfer of exchange-traded fund expense information from fund managers to dealers, for dealers to ingest daily fund expense ratios and NAV at the fund level from fund managers; multiply the ratios by the daily NAV to calculate a daily cost amount; match the ratio and dollar cost data to exchange-traded funds owned by clients to calculate an effective daily cost per client; and finally aggregate the sum of 365 days' worth of costs to arrive at an annual figure for the annual report on charges and other compensation to clients.

Labour-sponsored investment funds ("LSIF"): Due to the nature of these funds and the underlying small- and medium-sized business investment criteria, LSIFs with inactive trading status or in the wind-up phase may not have current prices. Therefore, it would be operationally unfeasible to implement the Proposed Amendments in the absence of timely data from the fund managers. Industry would require additional guidance on the total cost reporting approach to be adopted in such situations.

Prospectus-Exempt and Foreign Funds: We would also highlight that investment fund managers who are not subject to the requirements of NI 31-103, such as some exempt investment fund managers or those who operate outside of Canada, may not be as willing to provide some of the information or cooperation necessary to fulfill the requirements.

2. *Would you consider it acceptable if, instead of information about each investment fund's fund expense ratio (MER + TER), the MER alone was disclosed in account statements and additional statements and used in the calculation of the fund expenses for the purpose of the annual report on charges and other compensation?*

RESPONSE: YES. As noted above, we do not believe that it is appropriate to list Fund Expense Ratios in quarterly or monthly account statements. We reiterate our strong view that it is more appropriate to include any fund expense information in clients' annual report on charges and compensation, if this can be achieved in a workable way. If Fund Expense Ratios are disclosed to clients, the annual report on charges and other compensation is the more appropriate disclosure document for investors as noted above.

We acknowledge that the Fund Expense Ratio is a more comprehensive metric for investors. There is significant complexity for investment fund managers to provide, and dealers/advisors to receive, MER and TER information whether MER alone or as part of a combined Fund Expense Ratio as this data sharing is not part of the current disclosure framework presented to investors. Accordingly, if the regulators proceed with a requirement to disclose MER alone or the collective Fund Expense Ratio, we recommend an appropriate implementation period with a pre-implementation committee to address expected complexity.

3. *For the purpose of subsection 14.14.1(2), is the use of net asset value appropriate, or would it be more appropriate to use market value or another input? Would it be better to use different inputs for different types of funds?*

RESPONSE: For conventional mutual funds, we believe it would be more appropriate to use net asset value, which is readily available for these types of funds. We have elaborated on the challenges associated with exchange-traded funds in our response to #1, above.

4. *Do you anticipate any other implementation issues related to the Proposed Securities Amendments?*

RESPONSE: YES. We note that dealers/advisors will face several challenges associated with the proposed cost ratio formula:

- As currently proposed, a dealer is meant to receive from a fund company a "daily dollar cost per unit", which is calculated as (expense ratio/365) x (NAV per unit). The dealer is then meant to calculate the daily cost of every client fund holding. Then, those daily values are to be summed and reported to each client. If dealers were to receive approximately 250 data points on each fund annually to store in their systems and run these calculations across 90,000 listings on Fundserv, this would translate to approximately **22.5 million data points**. This process is computationally intense for dealers/advisors, given the magnitude of data being transferred from fund managers. A significant systems build is required to capture, compute, and report the required cost information.

- As required under CRM2, trailing commission disclosure (in dollar terms, at the client account level, by fund) is provided by fund managers to dealers/advisors on an ongoing basis. If fund managers assume responsibility for the total cost reporting related to MERs and TERs (in dollar terms, at the client account level, by fund), a significant systems build will be required, with sufficient lead time before implementation. Unlike CRM2, where fund managers have historically calculated trailer fees in dollar terms for billing purposes, total cost information (in dollar terms related to MER and TER) is not currently calculated by fund managers. In addition, we reiterate that fund managers are not able to provide the computed cost information for ETFs, as ETF fund managers do not have access to holdings information for their unitholders, which is a necessary input for the calculation of the total dollar cost.

- The inclusion of 365 in the fund expense ratio formula is challenging for products which do not have daily valuations. We request clarification in the published rules for guidance to be followed in the case of funds with weekly, monthly, or quarterly NAV calculations.

- In the case of funds where the fund managers are not providing total cost data (e.g. ETFs and foreign funds), it is not efficient or practical for dealers to source the data and do calculations themselves, and as noted in our earlier comments on Section 14.17.1, is likely to result in differing calculations by dealers for the same funds due to differing calculation methodologies or assumptions.

- Should the investment industry not be successful in coordinating appropriately, and/or the range of products in scope of CRM3 not be sufficiently narrowed, we are concerned that a lack of consistency of CRM3 data across industry members will erode the credibility of client reporting. Data errors, gaps and inconsistencies will need to be addressed as we anticipate that implementing CRM3 will require a massive data exchange across many firms, each of whom have varying capabilities.

- Additional consideration is needed to address some of the following data/calculation issues:

    - MERs and TERs are calculated on certain cycles for each fund and vary across fund families and fund managers. We request guidance from the regulator regarding an "as at" date for alignment across the industry.

    - How would reporting be provided in respect of funds that no longer strike a NAV, do not strike a daily NAV (e.g. weekly, monthly, or quarterly NAV), or that have additional complexities such as performance fees.

    - The Proposed Amendments do not address new funds for which MER and TER are not available.

- How reporting would be provided with respect to funds with delayed NAVs, which are common in private market products.

- Investment fund managers with complex pricing structures (e.g. alternative investments) will be challenged in calculating and communicating cost information in a format that is comprehensive to their unitholders.

- We also note the following additional general considerations:

  - The CSA proposes that investment fund managers could rely on publicly available information disclosed in an investment fund's most recently filed disclosure documents, unless this information is outdated, or the investment fund manager reasonably believes that doing so would cause the information reported in the statement or report to be misleading. Under certain circumstances, where changes have occurred that would affect this information (for example, changes in the levels of management fees or performance fees), the inclusion of "misleading" in the Proposed Amendments may result in investment fund managers being required to revise such information outside the timeframe required under current regulations. This would unnecessarily and disproportionately increase the regulatory burden on investment fund managers.

  - If investment fund managers are not applying uniform assumptions or approximations, we are concerned that the method of providing different assumptions or approximation would not provide meaningful information to investors.

  - We are concerned that layering additional information in annual cost reports may affect the ability of dealers/advisors to deliver these reports on a timely basis. Dealers would need time to upload accurate information and process it in time to prepare these year-end reports.

  - The annual report on charges and other compensation currently sets out the amount of trailing commissions an investment fund pays. Under the Proposed Amendments, there is potential for trailing commissions to be double-counted, since MER already includes trailing commissions, which may ultimately result in the provision of an inaccurate representation of an investor's total cost of investing.

5. *Do you anticipate any issues specifically related to the proposed transition period?*

RESPONSE: YES. Industry participants will require significant time and resources to (a) create consistency in the data sources/format, and (b) implement systems at all dealers/advisors. A technology build will be required to facilitate the transfer of fund expense information from investment fund managers to dealers and advisors, and for such dealers/advisors to house such data as provided, and finally to reflect such enhanced financial information in client account statements and reports. There is a high degree of systems complexity with multiple stakeholders involved and at times, a necessarily sequential process flow, meaning that certain tasks cannot begin until the preceding tasks have been completed. The *Prototype Fundserv Schedule* referenced in the Investment Funds Institute of Canada submission elaborates on the practical implications and minimum estimated implementation timeline.

We also note that the proposed transition period coincides with the Canadian Capital Markets Association's announced plans to facilitate shortening Canada's standard securities settlement cycle from two days after the date of trade (T+2) to one day after the date of the trade (T+1) in 2024, aligning with a similar change in the United States. The move to T+1 also will have implications across capital markets, impacting all traded securities, including conventional mutual funds and exchange-traded funds, securities lending, and various routine corporate actions. Further, the anticipated TMS/CDS Post-Trade Modernization initiative is also scheduled for implementation in 2024, impacting fund managers and dealers/advisors.

We suggest giving further consideration to the resources that will be required to facilitate each of these operationally complex projects simultaneously and whether, in light of resource constraints, potential for client confusion, and risks associated with inaccurate data and reporting, a longer implementation timeline for the Proposed Amendments is required.

Conclusion: Revisit Cost-Benefit Assessment of CRM3

While high-level discussions regarding CRM3 have been occurring for some time, publication of the Proposed Amendments represents the first time that industry has had an opportunity to evaluate specific, written rule changes meant to implement CRM3. While we support the goals of CRM3, the Proposed Amendments raise significant questions and concerns that must be addressed before any rules are finalized. We urge the CSA and CCIR to take industry feedback strongly into consideration and to engage in further discussions before finalizing any rules.

The CSA and the CCIR state in the Proposed Amendments that they believe the proposals "would adequately balance the need for investors to receive information about the ongoing costs of owning investment funds, while avoiding imposing an undue regulatory burden on registrants." We urge the CSA and CCIR to test this conclusion in light of the feedback they receive on the Proposed Amendments and to conduct a fresh cost-benefit analysis once armed with insights that this consultation process yields.

Finally, we request that, to the extent that the Proposed Amendments are based on research conducted by the OSC Investor Office Research and Behavioural Insights Team, the results of this research be made publicly available.

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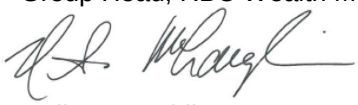
We appreciate the opportunity to provide comments and welcome the opportunity to discuss the foregoing with you in further detail. If you have any questions or require further information, please do not hesitate to contact the undersigned.

Doug Guzman
Group Head, RBC Wealth Management, Insurance, and Investor & Treasury Services



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