

RBC Global Asset Management

Attachment 3

Policies & Procedures Summary

RBC Global Asset Management Inc.

December 2023

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Corporate Structure & Compliance Framework

Corporate Structure and Registration

RBC Global Asset Management (RBC GAM) is the asset management division of Royal Bank of Canada (RBC) which includes RBC Global Asset Management Inc., RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, and RBC Global Asset Management (Asia) Limited, which are separate, but affiliated subsidiaries of RBC.

In Canada, RBC Global Asset Management Inc. (RBC GAM Inc.) manages the collective assets of Canadian individual and institutional investors, and includes Phillips, Hager & North Investment Management a division of RBC GAM Inc., and PH&N Institutional, the division of RBC GAM Inc. responsible for managing assets for Canadian institutional clients.

RBC GAM Inc. is registered as a Portfolio Manager and an Exempt Market Dealer in all jurisdictions of Canada. RBC GAM Inc. is also registered as an Investment Fund Manager in Ontario, British Columbia, Quebec and Newfoundland and Labrador and as a Commodity Trading Manager in Ontario. The Ontario Securities Commission is the principal regulator of RBC GAM Inc., but RBC GAM Inc. is also subject to the regulatory oversight of the securities commission in each of the other Canadian jurisdictions in which it is registered.

Compliance Department and Chief Compliance Officer

RBC GAM Inc. is supported by a dedicated Compliance team comprised of 9 full-time compliance professionals located in Vancouver and Toronto and led by the Chief Compliance Officer (CCO). The team supports the RBC GAM Inc. business units regarding regulatory compliance issues faced by the firm as a fund manager, portfolio manager, and exempt market dealer. While supporting RBC GAM Inc., the Compliance team maintains an independent reporting line into RBC's Regulatory Compliance group, ultimately reporting into the Global CCO of RBC.

Mona McManus

BA (Economics), University of Toronto, Canada

Mona is the Head of the Compliance team at RBC GAM Inc. and the CCO of RBC GAM Inc. She leads the team of professionals responsible for developing, implementing, and maintaining a regulatory compliance framework for RBC GAM Inc. Mona has a long history with RBC GAM Inc. dating back to 2009 and is a seasoned compliance professional with over 20 years of experience in regulatory compliance for firms registered in the categories of Portfolio Manager, Investment Fund Manager and Exempt Market Dealer. Her

most recent role prior to returning to RBC GAM Inc. was CCO for RBC Phillips, Hager & North Investment Counsel Inc., leading the compliance team supporting RBC Wealth Management Canada's discretionary wealth and trust businesses. Prior to this role, she spent 12 years with RBC GAM Inc., as Director, Compliance and Alternate CCO, reported into the CCO of RBC GAM Inc. and managed the compliance team in Canada. Prior to joining RBC in 2009, she held the position of CCO of the Canadian division of a large U.S. based global asset manager.

Role of Compliance

The Compliance team assists the business units of RBC GAM Inc. in developing an appropriate framework for maintaining a generally acceptable compliance and regulatory risk management control environment. RBC GAM Inc. business units have the day-to-day responsibility of ensuring that they act in compliance with the relevant regulations, as well as with firm policies and procedures. The Compliance team, as a second line of defense function, advises and monitors these business units and performs regular reviews of certain activities in which the business engages in accordance with RBC's Regulatory Compliance Management Framework, in order to determine whether there has been adherence to applicable regulations and to policies and procedures. Under Canadian regulatory requirements, the CCO is required to report all material breaches of securities laws or policies and procedures to the firm's Board, and to the Ultimate Designated Person, who is Damon Williams, the Chief Executive Officer of RBC GAM Inc., and the CEO of RBC GAM.

Policies & Procedures Framework

RBC GAM Inc. has individual policy and procedure documents that are specific to different departmental or firm-wide requirements. These policy documents are made available to employees via the firm's intranet. Employees are to refer to and understand their roles under the policies that apply to them in order to contribute to the firm's ability to comply with its regulatory obligations, industry best practices and the professional standards with which those of its employees who are CFA® charterholders are required to comply. The firm's policies and procedures have also been designed to mitigate operational risks associated with each primary investment management function within the organization, and to contribute to the firm's ability to meet its fiduciary duty and contractual commitments to its clients. RBC GAM Inc.'s policy and procedure documents are for internal use only and, with very few exceptions, are not distributed outside the firm.

The following section provides overviews of some of the major policies at RBC GAM Inc. It is not a full list of all policies, nor is any overview a substitute for any internal policies. Further information on these or any other internal policies may be provided on request.

Summary of Policies and Procedures Part A: General

Anti-Money Laundering, Anti-Terrorism, and Economic Sanctions

RBC GAM Inc. is committed to preventing the use of its financial services for money-laundering or terrorist financing purposes and to ensuring that the manner in which it provides financial services complies with the applicable anti-money laundering (AML) and anti-terrorism laws and regulations, and economic sanctions/embargoes of the jurisdictions in which it conducts business. RBC GAM Inc. has formally adopted the following enterprise control standards and policies:

- RBC Enterprise Control Standards on Anti-Money Laundering and Anti-Terrorist Financing
- RBC Enterprise Anti-Money Laundering Client Risk Management Policy
- RBC Enterprise Economic Sanctions Policy

RBC's global approach to its enterprise AML compliance program is described at the following link on the RBC website: <http://www.rbc.com/aboutus/globalapproach.html>

All RBC employees are required to complete annually the online Combating Money Laundering and Terrorist Financing Course. The RBC Global AML Compliance Group is responsible for ensuring that the training content is reviewed and revised as required annually.

RBC GAM Inc. has in place additional policies that specifically apply to its business covering account opening requirements and client due diligence. It also has in place controls designed to ensure that the firm does not knowingly enter into transactions with or provide or assist in providing, directly or indirectly, financial services to, or for the benefit of, states, entities, and individuals where prohibited by anti-terrorism laws or by economic sanctions in Canada or other jurisdictions that apply to the firm. Accordingly, as warranted, RBC GAM Inc., with the assistance of the Global Economic Sanctions unit at RBC, monitors economic sanctions applicable to it, and as required, places restrictions on investing in certain countries or issuers in the portfolios it manages.

Economic Sanctions

RBC GAM Inc. and RBC are committed to preventing the use of its financial services for money-laundering (AML) or terrorist financing purposes and to ensuring that the manner in which they provide financial services complies with the applicable AML and anti-terrorism laws and regulations, and economic sanctions/embargoes of the jurisdictions in which they conduct business.

RBC has in place a number of control standards and policies that apply to all its subsidiaries including RBC GAM Inc.:

- RBC Enterprise Control Standards on Anti-Money Laundering and Anti-Terrorist Financing

- RBC Enterprise Anti-Money Laundering Client Risk Management Policy
- RBC Enterprise Global Economic Sanctions Policy

RBC GAM Inc. has in place additional policies that specifically apply to its business, and collectively, these policies and controls are designed to ensure that the firm does not knowingly enter into transactions with or provide or assist in providing, directly or indirectly, financial services to, or for the benefit of, states, entities, and individuals where prohibited by Economic Sanctions in Canada or other jurisdictions that apply to the firm. Accordingly, as required, RBC GAM Inc., with the assistance of the Global Economic Sanctions unit at RBC, monitors Economic Sanctions applicable to it, and as required, places restrictions on investing in certain countries or issuers. Sanctions lists are maintained by RBC's Global Economic Sanctions unit, and updates are communicated to RBC GAM Inc. on an ongoing basis. RBC GAM Inc.'s trade order management system is utilized to place any necessary restrictions and monitor trades.

Anti-Bribery and Anti-Corruption

RBC's *Code of Conduct* includes fundamental principles that address political involvement and contributions, anti-bribery, and anti-corruption. It is the responsibility of each employee to ensure strict adherence to the Code of Conduct. In addition, RBC has an enterprise-wide policy on Anti-Bribery and Anti-Corruption. The *Enterprise Anti-Bribery Anti-Corruption Policy* expands on those principles set out in the Code of Conduct and sets out the minimum standards to be followed by RBC and its subsidiaries. RBC GAM Inc.'s anti-bribery functions are overseen by the RBC Global AML Compliance Group; RBC's Chief Anti-Money Laundering Officer is also responsible for Anti-Bribery and Anti-Corruption for RBC and all of its business units, including RBC GAM Inc.

Code of Ethics & Professional Conduct

All employees of RBC and its direct or indirect subsidiaries and business units must comply with an extensive number of policies and control standards that dictate how employees conduct themselves and deal with conflicts of interest. These include:

- RBC Code of Conduct
- RBC Conflicts of Interest Control Standards for Personal Trading
- RBC Conflicts of Interest Control Standards on Inside Information and Information Barriers
- RBC Enterprise Conflicts of Interest Policy and associated Control Standards (including Outside Business Activities and External Directorships, and Gifts and Entertainment).

An RBC employee who breaches or fails to report an actual or suspected breach of the RBC Code of Conduct is subject to corrective or disciplinary action. Corrective or disciplinary action is RBC's response to

unacceptable behaviour, including breach of the RBC Code of Conduct, and can range from reprimands to termination of employment. All RBC employees must confirm their understanding of and commitment to abide by the RBC Code of Conduct annually.

A copy of the RBC Code of Conduct may be found on the RBC website:

https://www.rbc.com/our-company/_assets-custom/pdf/Code-Of-Conduct.pdf

In addition to the above RBC policies, RBC GAM Inc. has implemented its own conflicts of interest, insider trading prohibition, information barriers and personal trading policies in order to impose further restrictions on its employees and certain other individuals in accordance with the highest level of personal investment and conflicts of interest standards and practices for investment management firms.

RBC GAM Inc. also complies with the CFA Institute Asset Manager Code and conducts its affairs in a manner consistent with the objectives of the CFA Standards of Practice Handbook.

Whistleblowing

RBC has established and institutionalized as one of its core values “Integrity”, meaning we hold ourselves to the highest standards to build trust. RBC’s Code of Conduct incorporates our Values with a view to guiding day-to-day actions and decisions. Section 2 of our Code of Conduct (Speaking Up) articulates RBC’s commitment and describes to employees their rights and responsibilities associated with: speaking up and asking questions, reporting misconduct, investigations, inquiries and reviews, and RBC’s commitment to non-retaliation.

To reinforce this commitment, RBC has had a program in place called “Doing What’s Right”, which promotes a culture of Integrity across RBC and educates employees of the role they each play in upholding RBC’s Values and the responsibility they share in the firm’s compliance with the RBC Code of Conduct, RBC policies and the law. RBC employees may submit sensitive workplace issues anonymously through a Conduct Hotline (sometimes referred to as a whistleblowing hotline), open to all employees and contractors. This hotline is a secure, fully accessible 24/7 method to report concerns, anytime, anywhere. “Doing What’s Right” also promotes speaking up and asking questions, in a safe environment that prohibits retaliation of any kind against anyone who respectfully challenges a decision, reports an incident, or makes a truthful complaint.

All RBC employees must confirm their understanding of and commitment to abide by the RBC Code of Conduct annually. A copy of the RBC Code of Conduct may be found on the RBC website:

https://www.rbc.com/our-company/_assets-custom/pdf/Code-Of-Conduct.pdf

Summary of Policies and Procedures Part B: Conflicts of Interest

Conflicts of Interest – General

RBC and RBC GAM Inc. view conflicts of interest management as a fundamental part of how they do business and maintain the strictest standards for all employees.

RBC maintains a list of enterprise-wide conflicts policies and standards to which all employees are required to adhere. These include:

- RBC Enterprise Conflicts of Interest Policy;
- RBC Conflicts of Interest Control Standards for Outside Business Activities and External Directorships; and
- RBC Conflicts of Interest Control Standards for Gifts and Entertainment.

In addition to this, RBC GAM Inc. has its own set of conflicts of interest related policies and procedures that outline how the firm adheres to the RBC conflicts policies and standards, and provide additional requirements for RBC GAM Inc. employees to ensure that RBC GAM meets its regulatory obligations with respect to identifying, addressing, and disclosing conflicts of interest in accordance with *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*.

Pursuant to NI 31-103, as a registered firm, RBC GAM Inc. is required to take reasonable steps to identify existing material conflicts of interest and material conflicts of interest that are reasonably foreseeable (a) between it and a client (including an investment fund), and (b) between any employee acting on its behalf and a client.

In addition to its obligations under NI 31-103, as an investment fund manager, pursuant to *National Instrument 81-107– Independent Review Committee for Investment Funds (“NI 81-107”)*, RBC GAM Inc. refers all conflict of interest matters of the Prospectus Funds (and in some cases where required under exemptive relief, the Private Funds) to the Independent Review Committee (the “IRC”). The IRC acts as the independent review committee that each Prospectus Fund is required to have under NI 81-107 and reviews and provides input on conflict of interest matters in respect of RBC GAM Inc. and the Prospectus Funds and Private Funds that are referred to the IRC by RBC GAM Inc.

RBC GAM Inc.’s conflict of interest policies and procedures framework is designed to meet these regulatory obligations. Once a material conflict is identified, RBC GAM Inc. must address it in the best interest of the client and must avoid any material conflict of interest if the conflict cannot otherwise be addressed in the best interest of the client. RBC GAM Inc.’s employees have similar obligations to identify, address and/or avoid material conflicts of interest between each such individual and the client in the best interests of the client. An

escalation process must be followed when a new conflict of interest matter is identified. RBC GAM Inc. must inform its impacted clients, in a timely manner, of the nature and extent of an identified material conflict of interest where such clients would reasonably expect to be informed of it. Conflicts of interest information is confidential and is only provided to regulators, lawmakers and government authorities where required by law, regulation, or regulatory expectation.

Gifts & Entertainment

The *RBC Code of Conduct*, and specifically Principle 5 – Integrity in How We Do Business, includes a section about “Managing gifts and entertainment”. The Code of Conduct indicates that while in business it is common to foster relationships by exchanging courtesies, such as meals, gifts and entertainment, RBC employees must ensure that any gift or entertainment accepted is not intended or designed to influence their business judgement on behalf of RBC.

In order to comply with the objectives of the Code of Conduct, all RBC employees are also subject to the *RBC Conflicts of Interest Control Standards for Gifts and Entertainment* that sets out the minimum control standards that must be applied when providing or accepting gifts and entertainment and requires the use of RBC’s conflicts of interest management application for reporting or approvals. Employees are encouraged to consider the motive behind business gifts and entertainment. Employees are to ensure that the practice is done only in the spirit of business courtesy and relationship management and in no way creates an environment where one party feels a sense of obligation to the other party or creates a real, potential, or perceived conflict of interest. Gifts may only be customary, modest, and culturally sensitive. There is a C\$100 limit on gifts annually (or close equivalent in other currencies). Gifts in the form of cash, cash equivalents, bonds, or negotiable securities, in any amount, may not be accepted or given. Entertainment shall always be in good taste and consistent with usual business practices and cannot include travel and lodging expenses.

Outside Business Activities and External Directorships

RBC maintains a list of enterprise-wide conflicts policies and standards to which all employees are required to adhere. These include:

- RBC Enterprise Conflicts of Interest Policy;
- RBC Enterprise Control Standards for Outside Business Activities and External Directorships;

In addition to this, RBC GAM Inc. has a specific Outside Business Activities, External Directorships and Close Personal Relationships Policy requiring its employees to consider actual, potential, or perceived conflicts of interest when contemplating a new Outside Business Activity or External Directorship, and to disclose and obtain approval prior to commencing the activity or External Directorship using RBC’s conflicts of interest

management application. The Policy also requires Employees to consider actual, potential, or perceived conflicts associated with Close Personal Relationships, and outlines their obligations to identify and disclose these relationships to their Managers so that they can be appropriately managed to avoid any situations that could reflect negatively on RBC GAM Inc. RBC GAM Inc. does not publicly share information about its employees' outside activities or external directorships.

Personal Trading

All employees of RBC and its direct or indirect subsidiaries and business units must comply with the *RBC Conflicts of Interest Control Standards for Personal Trading*.

In addition to the enterprise-wide policy, RBC GAM Inc. has its own business unit *Personal Trading Policy*. The focus of RBC GAM Inc.'s policy is to require all employees to work with the sole purpose of doing what is best for the clients of RBC GAM Inc., and to manage and/or avoid any actual or perceived conflicts of interest that may arise from employees' personal investment activities in the course of managing investments for clients. RBC GAM Inc. restricts each member of the firm who is considered to be an "access person" from trading in nonpermitted investments, to obtain pre-clearance before undertaking certain personal investment activities, and to review and sign an annual certification.

RBC GAM Inc.'s Compliance department monitors personal trading of access persons electronically using RBC's conflicts of interest management application. The Chief Compliance Officer provides an annual report on employees' compliance with the *Personal Trading Policy* to RBC GAM Inc.'s Personal Trading Review Committee, a sub-committee of the Board of Directors of RBC GAM Inc., and the Independent Review Committee of the investment funds managed by RBC GAM Inc.

Any employee who fails to meet the standards set out in the *Personal Trading Policy* is subject to corrective or disciplinary action, which could include written warnings, forfeiture of trading profits, suspension or dismissal for cause or a combination of the foregoing. The *Personal Trading Policy* does not apply to those directors of RBC GAM Inc. who are not involved in the day-to-day management of its business.

Summary of Policies and Procedures Part C: Investment Management & Trading

Best Execution

As an investment manager, RBC GAM Inc. has a fiduciary obligation to seek best execution for client trades. RBC GAM Inc. considers best execution to be a process that seeks the best overall result for a client on a trade-by-trade basis. Brokers are selected to execute specific securities transactions for client accounts based on RBC GAM Inc.'s analysis of the broker's best execution abilities.

To attain the most advantageous terms of trade execution, RBC GAM Inc. assesses a number of factors, such as price, volume, the market, and services that may help improve investment decisions on behalf of clients. To improve best execution capabilities, RBC GAM Inc. uses an electronic trade order management system and has established procedures to regularly monitor the quality of trade execution.

Elements Of Best Execution

Best execution generally includes the following elements:

- **Price:** The duty to obtain the best price requires RBC GAM Inc. to have access to current and complete trading information to ensure that the transaction is executed on the market that will provide the best price to the client.
- **Speed and certainty of execution:** Timely execution of client orders is an essential element of best execution. In situations where speed of execution is crucial, RBC GAM Inc. traders use their experience and knowledge to select the appropriate broker or marketplace for execution.
- **Total transaction cost:** The overall cost of a transaction, including the spread or commission paid to the executing broker, market impact and opportunity costs, must also be considered when measuring best execution. RBC GAM Inc. monitors commission rates for securities in all markets in which it deals and with every broker through which it executes orders. Data is evaluated over various time frames, with the goal of identifying trends that will help to ensure the highest quality of execution going forward. RBC GAM Inc. also strives to hold down internal costs.

All parties involved in a trade have a role in achieving best execution. The most favourable results for clients are achieved through a combination of investment research, portfolio managers' judgment and efficient trade execution. RBC GAM Inc. is required to make reasonable efforts to achieve best execution when acting for a client and must also monitor total transaction costs and ensure that they are minimized.

RBC GAM Inc.'s traders play a role in achieving best execution. Given the size and type of the transaction, its complexity and where it takes place, a trader will seek to satisfy the following objectives:

- A favourable price taking into account any restrictions;
- A favourable commission;
- Certainty of execution;
- Prompt and accurate order execution; and
- Prompt and accurate order confirmation.

A trader's use of a particular broker with special abilities or access to or knowledge of a specific type of investment or transaction may also contribute to RBC GAM Inc. achieving best execution.

Best Execution Monitoring

Equities

RBC GAM Inc. utilizes the services of third-party providers to analyze the quality of its equity trade executions and a venue analysis provider to monitor broker routing practices and assess the quality of execution across different venues which encompass exchanges and Alternative Trading Systems such as dark pools.

Equity trade execution quality monitoring is performed using a third-party vendor's Trade Cost Analysis (TCA) tool. The primary benchmark for analyzing trading execution quality is Implementation Shortfall. Volume Weighted Average Price (VWAP) is used as an additional check for evaluating equity trade prices in its best execution analysis. RBC GAM Inc. does not evaluate the success of a single equities trade based solely on execution price or TCA benchmarks. Other factors are considered, as required, as detailed in the Elements of Best Execution above.

Fixed income

Fixed income trading takes place largely in the over-the-counter (OTC) market, and experience and judgment play a significant role in determining the best course of action for the trade desk to achieve best execution factoring the best price available given the size of the trade and certainty of fulfilling it. Generally, best execution for fixed income is sought by asking for quotes (spreads for investment grade, prices for high yield grade) from as few as one dealer to multiple dealers, either using a multi-broker electronic platform, or by telephone/Bloomberg IB Chat.

Derivatives

RBC GAM Inc. trades a variety of exchange-traded derivatives, including but not limited to options, futures, and swaps. Brokers are selected by the trader based on factors including the availability of electronic trading connections with the broker and the broker's expertise in that market. Generally, orders in exchange-traded derivatives will be traded on a regulated market. As with other asset classes, trades will be executed in the best way, in the context of the market using an objective outcome (e.g., primarily a combination of price, volume, certainty, timing, and the intention of respective ticket).

For OTC derivatives, pre- and post-trade price transparency is limited and the certainty of execution with a counterparty is a pre-requisite to a decision to execute a trade with it. The desk will use its judgement on how to obtain best execution regarding how many counterparties to approach for quotes based on the liquidity and

the volatility of an OTC derivative relative to the value of the transaction it is attempting to execute and the investment rationale behind the transaction.

Trade Management Oversight Committee

RBC GAM Inc. has a Trade Management Oversight Committee (TMOC) which is responsible for reviewing trading statistics and execution rates, commission budgets, confirming the suitability of counterparties and staying on top of emerging issues in trading and related regulation. The TMOC also evaluates and, when appropriate, recommends to senior management improvements to the trade management policies and procedures of RBC GAM Inc.

Broker Selection Process

RBC GAM Inc. has procedures in place to monitor brokers/dealers' capacity to execute trades for client accounts that are on the most advantageous terms for the client. RBC GAM Inc. analyses and selects brokers who demonstrate that they have the operational, financial, and regulatory capacities to achieve the goal of best execution.

RBC GAM Inc. believes that having a list of approved brokers from which it can choose in order to execute trades for client accounts helps it to achieve best execution for clients. To fulfil its fiduciary duty, RBC GAM Inc. performs due diligence on each broker that is proposed for addition to its list of approved brokers and monitors existing approved brokers in order to ensure that it uses only brokers that are or remain in good standing. RBC GAM Inc. uses certain characteristics to assess a broker's qualifications, such as whether the broker has:

- Substantial and sophisticated facilities, including extensive trading networks;
- Access to smaller and more specialized brokers whose expertise allows them to effect trades in securities that are more difficult to trade efficiently;
- Reasonable-cost execution expertise;
- Satisfactory regulatory standing;
- Investment research that is of appropriate quality;
- Trade processing which is reliable; and
- Appropriate creditworthiness.

Brokerage Arrangements

As a portfolio manager with discretion to direct trade orders for the accounts it manages, RBC GAM Inc. directs trade orders to certain brokers to execute the trades (from its approved broker list). The commissions paid for

some of these trades reflect not only the cost of order execution, but also the cost of research goods and services and order execution goods and services that RBC GAM Inc. receives from brokers and, in some cases, from third-party vendors.

RBC GAM Inc. receives research goods and services, which may include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities. The executing dealer may provide such goods and services to RBC GAM Inc. directly (known as proprietary research) or a party other than the executing dealer may provide such goods and services to RBC GAM Inc. (known as third party research).

RBC GAM Inc. may also receive order execution goods and services, such as data analysis, software applications and data feeds. The executing dealer may provide these goods and services to RBC GAM Inc. directly or a party other than the executing dealer may provide these goods and services to RBC GAM Inc.

In certain instances, RBC GAM Inc. may receive goods and services that it uses in its investment or trading decisions or in effecting securities transactions for the accounts that contain some elements that qualify as research goods and services and/or order execution goods and services and other elements that do not qualify as either. These types of goods and services are considered to be mixed-use goods and services. If RBC GAM Inc. obtains mixed-use goods and services, RBC GAM Inc. may only use clients' brokerage commissions to pay for the portion of those goods and services that qualifies as research goods and services and/or order execution goods and services. Examples of the types of mixed-use goods and services that RBC GAM Inc. may receive are software applications and data analysis.

Investment Fund Investment Mandate/Client Investment Policy Statement Monitoring

RBC GAM Inc. is responsible for monitoring its investment funds and client accounts in accordance with the investment restrictions outlined in the investment mandate/ investment policy statement. RBC GAM Inc. has integrated investment mandate compliance processes and procedures throughout the investment management process and has set out the details of these processes and procedures in a number of its policy documents including, *Trading Policy*, *Investment Policy Statements and Internal Investment Mandates Policy*, and *New Account Opening policies and procedures*.

RBC GAM Inc. has trading desks in Toronto and Vancouver that utilize a number of proprietary and third-party trade order management systems. The Vancouver trade desk utilizes SS&C Pacer, a product of SS&C Technologies Inc. and BondLab, a proprietary risk and portfolio management platform that serves as a trade order management system for fixed income trades, as well as Charles River Investment Management System (Charles River), a third-party trade order management system, for equity trades. The Toronto trade desk

utilizes Charles River for both fixed income and equity trades. These systems are used for monitoring of account level compliance with client and investment fund guidelines and restrictions where such monitoring can be conducted electronically.

Trades entered into the trade order management systems are subject to pre- and/or post-trade compliance checks that will generate prohibitions (alerts) or notifications (warnings) when orders are entered that do not match with fund/client investment guidelines or restrictions.

On a pre-trade basis, Portfolio Managers responsible for ensuring that a trade fits within a client or an investment fund's investment guidelines or investment mandate. Portfolio Managers are also responsible for reviewing their prior day's trades to ensure that they have adhered to client or investment fund investment guidelines, and to ensure that trades occurred accurately and correctly.

The Investment Policy (IP) team is responsible for the monitoring process and rule set up for accounts specifically managed and traded in Toronto, and the Institutional Investment Policy Analysts (IIPAs) are responsible for monitoring accounts managed and traded in Vancouver.

Cross-Trades (Inter-Fund Trades)

Cross-trades between the investment funds and/or segregated accounts that RBC GAM Inc. manages are permitted as long as the transaction is in compliance with the *Inter-Fund Trades (Cross Trade) Policy*.

All cross-trades must be in the best interests of the investment funds or clients involved and must be consistent with their investment objectives.

A cross-trade of exchange listed securities will be executed at the current market price or, if executed intraday, the last sale price of the security (as defined in the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada).

Pricing for mortgages will be valued by Canada Mortgage Loan Services Limited or another independent provider of mortgage valuation services, at the price determined in accordance with *Section III (2) (2.3) of the Canadian Securities Administrators' National Policy 29*.

For all other securities the cross-trade will be executed at the current market price of the security, which is the average of the highest current bid and lowest current ask determined on the basis of reasonable enquiry.

Derivatives

RBC GAM Inc.'s policy with respect to the use of derivatives in the investment funds and client accounts that it manages focuses on the risk management and control practices to which it must adhere in order to meet *National Instrument 81-102 Investment Funds* investment restrictions related to the use of derivatives as

investments for investment funds that are offered under a simplified prospectus and on maintaining prudent practices in managing the risks that are associated with the use of derivatives in non-prospectused (exempt pooled) funds and client accounts.

The investment funds and client accounts that utilize derivatives may only do so in ways that are allowed under Canadian securities legislation and under the risk management guidelines developed by RBC GAM Inc. as manager of these funds and client accounts.

Error Correction

RBC GAM Inc. has a *Global Error Review Policy* in place to deal with guideline restriction breaches, trading, and other errors. For each error, a written error report must be prepared and sent to the Operational Risk Team, Senior Management and the Compliance department for review and reporting to the North American Error Review Committee, which reviews all errors monthly and approves the corrective measures taken. RBC GAM Inc. notifies a client if an error occurred in the client's account and ensures that any client or fund that incurred a loss as a result of an error is reimbursed.

Expert Networks and Alternative Data Providers

RBC GAM Inc. utilises various external sources of research to inform the investment decisions it makes for discretionary clients and investment funds it manages.

"Expert Networks" are external research providers that connect clients such as RBC GAM Inc. with consultants who hold themselves out as experts in a particular industry sector based on their current or former work for a company in the sector or government or regulatory agencies that regulate the industry. Such consultants may also work or have performed work for affiliated parties to the industry such as suppliers, contractors, consultants, or advisors. Research from Expert Networks may be communicated through various means including reports, meetings, and phone consultations.

"Alternative Data Providers" provide information gleaned from non-traditional sources beyond traditional financial statements, company filings and press releases. Examples include but are not limited to information gleaned from satellite and drone imagery of crop fields and retailers' parking lots, analyses of aggregate credit card transactions, social media and internet search data, geolocation data from consumers' mobile phones and email data obtained from apps and tools that consumers may utilize.

While Expert Networks and Alternative Data Providers can be a source of valuable research, engaging them poses the risk that RBC GAM Inc. may come into possession of unwanted inside information that was misappropriated or disclosed in violation of a duty of confidentiality. With Expert Networks such risk is elevated

in situations where a consultant employed or recently employed by a public company or regulatory or government agency discloses information about a particular company or agency.

RBC GAM Inc. has an *Expert Networks and Alternative Data Providers Policy* that governs RBC GAM Inc.'s use of Expert Networks and Alternative Data Providers, and details the procedures that RBC GAM Inc. will follow to review and approve an Expert Network or Alternative Data Provider before it is used by an investment management team and the controls that RBC GAM Inc. has implemented to mitigate the risk of inadvertently obtaining inside information from an Expert Network or Alternative Data Provider.

Fair Allocation of Trades (Equities)

RBC GAM Inc. adheres to its *Fairness in Allocation of Investment Opportunities Policy*. RBC GAM Inc.'s policy and practice is not to intentionally favour or disfavour any client, class of clients, or investment fund in the allocation of investment opportunities so that over a period of time, such opportunities are allocated among clients and funds on a fair basis.

From time-to-time RBC GAM Inc. may make the same investments for an investment fund and for one or more of its other clients. However, RBC GAM Inc. may also give advice and take action with respect to any of its clients or investment funds that differ from the advice given to, or the action taken for, other clients or other investment funds. RBC GAM Inc.'s emphasis is on ensuring that all clients and investment funds, through their discretionary portfolio managers or fund managers, are given a fair opportunity to invest in a security that is appropriate for the specific client. Each portfolio manager or fund manager makes the final determination as to whether a particular investment opportunity is appropriate for the specific client or the specific investment fund to which RBC GAM Inc. provides investment management services.

RBC GAM Inc.'s trade allocation methodologies specify how trade orders are to be allocated across portfolios and are made available to traders, analysts, fund managers, portfolio managers, and other relevant parties. RBC GAM Inc.'s computer systems are preconfigured to allocate executed equity trades automatically to all participating portfolios in accordance with the firm's policy.

The Compliance department conducts periodic reviews, on a sample basis, of trade allocations and any amendments; its focus is to monitor whether RBC GAM Inc. has complied with regulatory requirements and with its own policies.

Fair Allocation of Trades (Fixed Income)

RBC GAM Inc.'s trade allocation methodologies specify how trade orders are to be allocated across portfolios and are made available to traders, analysts, fund managers, portfolio managers, and other relevant parties. The governing policy in this area is the *Fairness in Allocation of Investment Opportunities Policy*. RBC GAM

Inc.'s policy and practice is not to intentionally favour or disfavour any client, class of clients, or investment fund in the allocation of investment opportunities such that, over a period of time, investment opportunities are allocated among clients and investment funds on a fair basis.

For fixed income securities specifically, the trader or fund manager must decide which broker to use, based on best execution. Trades are only executed with counterparties that have been formally approved by RBC GAM Inc.'s New Broker Selection Committee.

Fixed Income investment portfolios with similar objectives and characteristics (i.e., similar risk profiles) are constructed to ensure consistency of duration, maturity distribution and issuer selection distribution, although they may not have the identical security holdings. Differences in holdings combined with market movements tend to result in the respective risk profiles drifting over time. Trade allocation in bonds, therefore, aims primarily to ensure consistency among portfolios with similar risk profiles, including realigning them as necessary, rather than following a pro rata approach that is more typical of equity investing or some corporate bond issues.

That said RBC GAM Inc. is not always trying to realign portfolio risk profiles when allocating corporate bond trades. If a corporate credit issue is pending that has a large concession to secondary bonds (implying that the issue price may experience an upward swing once trading starts), RBC GAM Inc. generally allocates these trades pro-rata across eligible fixed income portfolios, so all clients can participate in the price appreciation.

RBC GAM Inc.'s tenure and stature in the Canadian bond market is an advantage for its clients. As a result of RBC GAM Inc.'s presence, it usually receives advance notice about new corporate bond issues. Advance notice is important in this market because the timing of a new issue order can have a significant impact on the quality of the fill that the investor receives, especially an investor as large as RBC GAM Inc. An early order has the potential to receive a better fill than a late order. As time passes, new information about a bond issue will be disseminated and the risks associated with placing the order and associated with the issue itself may change and may impact the availability of the issue.

The Compliance department conducts periodic reviews, on a sample basis, of trade allocations and any amendments; its focus is to monitor whether RBC GAM Inc. has complied with regulatory requirements and with its own policies.

Global Investment Performance Standards

RBC GAM (the Firm) claims compliance with the CFA Institute's Global Investment Performance Standards (GIPS®) and has been independently verified for the periods January 1, 2002, through December 31, 2022. Verification was undertaken by ACA Performance Services (ACA) for the year ended December 31, 2022.

Verification assesses whether the Firm has established policies and procedures for complying with GIPS standards related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standard as well as whether these policies and procedures have been implemented on a firm-wide basis. Verification does not relate to or provide assurance on any specific performance report of the Firm or on the operating effectiveness of the Firm's controls or policies and procedures for complying with the GIPS standards.

ACA issued their Auditors' Report (dated October 31, 2023) in which they expressed the following about the Firm:

For the periods from January 1, 2019, through December 31, 2022, the Firm's policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.

Verification covering the periods from January 1, 2002, through December 31, 2018, was performed by another verification firm, whose report expressed an unqualified opinion thereon.

Investment Restrictions for the Firm

There may be several restrictions in place for RBC GAM Inc.'s capabilities as an investment manager at any given time including the following – depending on the restriction type, these may be monitored by Compliance or the business unit:

- Securities are restricted if a division of RBC GAM Inc. possesses inside information or if its and another division's ownership level of an issuer's shares brings it close to acquiring a control position.
- RBC GAM Inc. restricts trading in securities upon request from affiliates if they are involved in a transaction in the UK under the rule of the UK Takeover Panel.
- Related party restrictions that prevent RBC GAM Inc. from purchasing related party underwritten stock or related party issued debt until a certain amount of time has passed since the distribution.
- Restrictions as a result of economic sanctions, or other AML/ATF requirements.
- Any restrictions placed on RBC GAM Inc. by a client's investment mandate.
- Investment restrictions for employees as outlined in the *Personal Trading Policy*.

Insider Trading and Other Investment Restrictions

All employees of RBC and any of its direct or indirect subsidiaries and business units, including RBC GAM Inc., must comply with the *RBC Conflicts of Interest Control Standards on Inside Information and Information Barriers*.

In addition to complying with securities laws with respect to inside information, RBC GAM Inc. imposes information barriers through its *Personal Trading Policy*, its *Insider Trading Prohibition Policy and Procedures*, *Securities Aggregation and Information Barriers Policy and Procedures*, as well as additional conflicts of interest policies. These procedures aim to safeguard inside information from inappropriate access by persons who do not have a legitimate need to know such information.

Late Trading and Short-term Trading

RBC GAM Inc. is committed to the highest standards of ethics and best practices within the investment management and fund management industry.

Therefore, in order to prevent trading abuses, such as late trading and short-term trading of units of mutual funds that benefit selected investors at the expense of others, from taking place in the PH&N Funds or RBC Funds, RBC GAM Inc., as the fund manager, has established policies and procedures to address these issues.

RBC GAM Inc. has strict controls to prevent late trading and has set 4pm Eastern Time/1pm Pacific Time as the cut-off time for all trades in units of PH&N Funds and RBC Funds. If RBC GAM Inc. receives a trade order after the cut off time, RBC GAM Inc. will not process such an order until the next trading day. RBC GAM Inc. strictly enforces this policy.

RBC GAM Inc. regularly monitors transactions in all of the mutual funds that it manages and has established criteria for acceptable transaction activity in an effort to eliminate activity that is deemed potentially detrimental to long-term unit holders including activity associated with attempts to engage in market timing. RBC GAM Inc. also has a policy to deter excessive trading and to offset its associated costs.

Proxy Voting Guidelines

As a portfolio manager, RBC GAM has an obligation to act in the best interests of the accounts that it manages, including, segregated client accounts and investment funds (the portfolios). This responsibility includes exercising the voting rights attached to securities in the portfolios it manages. It is RBC GAM's policy to exercise the voting rights of the portfolios it manages in their best interest and with the view to enhancing the long-term value of the securities held.

RBC GAM is satisfied that investments in issuers that have more transparent disclosure and more effective governance generally yield better results. RBC GAM believes that it can help to protect and enhance the long-term value the portfolios it manages through its support of organizations that work to promote good governance, through direct or indirect engagement with issuers, and by communicating with an issuer's management through the exercise of voting rights.

RBC GAM's Guidelines reflect the following guiding principles:

- Proxies will be voted in the best interests of the portfolio and with a view to enhancing the long-term value of the securities held;
- RBC GAM encourages issuers and their boards of directors to consider and adopt recognized best practices in governance and disclosure;
- A decision to invest in an issuer is based in part on the quality of an issuer's disclosure, the performance of its management and its corporate governance practices. Since a decision to invest is generally an endorsement of management of the issuer, RBC GAM will usually vote with management on routine matters. When considering the election of directors, RBC GAM will consider the board's past course of action and any plans to improve governance and disclosure. RBC GAM will be particularly concerned with any management proposal having financial implications for the issuer or the potential to adversely impact investment value; and
- Proxies may also contain shareholder proposals requesting a change in the policies and practices of management. Where those proposals align with the views of RBC GAM and have not been adequately addressed by management, RBC GAM will support them.

RBC GAM participates in securities lending programs. In order to allow proxy voting for securities that it has loaned out, RBC GAM recalls all of its securities in North America on or before the record date to ensure vote eligibility. For loaned shares outside of North America, RBC GAM will recall all of the securities of an issuer where it manages at least 1% of the outstanding shares of that issuer or there is a significant voting issue where RBC GAM's position could impact the result.

Through its internal expertise and resources, with the assistance of leading independent research firms, RBC GAM has established the *RBC GAM Proxy Voting Guidelines* (the "Guidelines") to govern the exercise of RBC GAM's voting rights. RBC GAM reviews and updates its Guidelines on an ongoing basis as corporate governance best practices evolve.

RBC GAM publishes its Guidelines for the information of its clients and to assist issuers in understanding the message RBC GAM has sent or intends to send through the exercise of proxy voting rights.

While RBC GAM generally votes proxies in accordance with the Guidelines, there may be circumstances where RBC GAM believes that it is in the best interests of the portfolios for RBC GAM to vote differently than the manner contemplated by the Guidelines, or to withhold a vote or to abstain from voting.

In the event of a perceived or actual conflict of interest involving the exercise of proxy voting rights, RBC GAM follows procedures to ensure that a proxy is exercised in accordance with the Guidelines, uninfluenced by considerations other than the best interests of its portfolios.

The most recent version of RBC GAM's Guidelines is available on the following website:

<https://www.rbcgam.com/en/ca/products/proxy-voting/guidelines>

Referral Arrangements

A referral arrangement means any arrangement in which RBC GAM Inc. agrees to provide or receive a referral fee or other benefit to or from another person or company for the referral of a client. Receiving such a referral fee or other benefit may create an inherent conflict between the interests of a referred client and the interests of the referring party because the referral may not necessarily be based on factors that are in the best interests of the client. Accordingly, prior to referring a client in exchange for a referral fee or other benefit, RBC GAM Inc. must determine that making the referral is in the client's best interest including a consideration of the benefits to the client of making the particular referral over alternatives or at all. Similarly, RBC GAM Inc. may not refer a client to an entity unless RBC GAM Inc. first takes reasonable steps to satisfy itself that the entity has the appropriate qualifications to provide the contemplated services, and if applicable, is registered to provide those services to the client. RBC GAM Inc. must also conduct an assessment of the types of clients that the referred products / services will be appropriate for, and consider the features, characteristics, and fees associated with the products / services, and the benefits to clients, including against alternative products / services (internal or external, as applicable). RBC GAM Inc. also monitors and supervises each referral arrangement that it enters to ensure that it complies with the requirements of applicable securities laws and continues to comply for so long as the referral arrangement remains in place. In all cases, the terms of each referral arrangement will be set out in a written agreement and clients will receive disclosure regarding the referral arrangement in accordance with applicable laws.

RBC GAM Inc. has entered into a referral agreement with RBC Global Asset Management (UK) Limited ("RBC GAM-UK") where RBC GAM-UK may pay a referral fee to RBC GAM Inc. when RBC GAM Inc. refers a client to RBC GAM-UK under certain specified circumstances. RBC GAM Inc. has also entered into a referral agreement with Arcmont Asset Management Limited ("Arcmont"), an unaffiliated entity. Arcmont may pay a referral fee to RBC GAM Inc. when RBC GAM Inc. refers a client to Arcmont under certain specified

circumstances. Certain employees of RBC GAM Inc. may ultimately receive compensation that, in part, includes a portion of referral fees collected by RBC GAM Inc.

Related Party Trading Activities

RBC GAM Inc. has a number of policies that govern the treatment of potential conflicts of interest that it may face in its transactions with related parties. These policies deal with issues such as RBC GAM Inc. trading in securities of RBC; RBC GAM Inc. engaging in offerings underwritten by affiliated entities, principal trading with affiliates and Inter-Fund Trades.

Under RBC GAM Inc.'s policy, an investment decision in respect of related-party trading activities must:

- Be made in the best interests of the client or fund and be free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates,
- Represent the business judgment of the portfolio manager or fund manager, uninfluenced by considerations other than the best interests of the client or fund,
- Be in compliance with RBC GAM Inc. policies and procedures, and
- Achieve a fair and reasonable result for the client or the fund.

Securities Lending

Prospectused mutual funds are permitted to engage in securities lending activities. *National Instrument 81-102 Investment Funds* requires prospectus disclosure or prior written notice to unit holders of a mutual fund's intention to begin entering into securities lending activities. In addition, non-prospectused funds may engage in securities lending activities. RBC GAM Inc.'s prospectused investment funds that engage in or intend to engage in securities lending have appointed the funds' custodian, RBC Investor Services Trust (RBC IS), to act as their lending agent.

RBC GAM Inc. has been informed by RBC IS of the following:

- Its policies with respect to securities lending exceed the requirements of the Office of the Superintendent of Financial Institutions (OSFI) guidelines related to the lending of securities.
- Its risk management policies include the following processes:
 1. Potential borrowers are screened on the basis of financial strength, credit rating and reputation by RBC's independent credit specialists;
 2. Borrowers must also have a market capitalization of at least \$10 million and must be regulated by reputable authorities in their country of origin;

3. RBC IS maintains a minimum collateral requirement of 102% of the value of the loaned securities or current market practice, whichever is higher; and
4. Collateral and loan values are monitored daily to ensure that safety margins are maintained.
5. RBC IS also offers an indemnity against borrower default.

Trading After-Hours and/or Off-Premises

RBC GAM Inc. considers any trading that a trader conducts on behalf of RBC GAM Inc. outside of RBC GAM Inc.'s normal trading hours to constitute after-hours trading and any trading that a trader conducts from a location other than the trading room of RBC GAM Inc. to constitute off-premises trading. After-hours and off-premises trading may be necessary for certain circumstances, for example, to execute orders for securities that trade on foreign markets, or for RBC GAM Inc.'s business continuity purposes.

Senior management determines which traders are permitted to transact in after-hours and/or off-premises trading and a list of approved individuals is maintained by the Investment Policy team reporting into the Chief Investment Officer.

Unitholder Transaction Errors

RBC GAM Inc. has a *Unitholder Transaction Errors Policy* in place to identify and correct unitholder transaction errors that is consistent with the concepts and objectives set out by IFIC. The policy sets out how we categorize, and correct unitholder transaction errors caused by distributors (external dealers as well as internal) and transfer agents. The policy focuses on: a) the permitted methods of correcting errors which include backdating (but not backward pricing) and correcting at market; and b) the timing of reimbursement to the investment funds impacted by the error. The policy also addresses the issue of dilution that arises when a unitholder transaction error occurs and the net asset value for existing unitholders in a fund is diluted as a result of the correction of the error.

Use of Client Brokerage Commissions (Soft Dollars)

RBC GAM Inc. uses client brokerage commissions in accordance with *National Instrument 23-102 – Use of Client Brokerage Commissions*, which stipulates that client brokerage commissions, or "soft dollars", can only be directed to a broker in return for the provision of order execution goods and services or research goods and services.

RBC GAM Inc. conducts regular and extensive trade cost analysis to ensure that clients or investment funds are receiving a reasonable benefit considering RBC GAM Inc.'s use of research goods and services and/or order execution goods and services and the amount of client brokerage commissions paid. RBC GAM Inc.

conducts annual reviews to decide which of its approved brokers are allocated brokerage business based on the competitiveness of brokers' commission costs, brokers' ability to provide best execution of trades and the range and quality of research goods and services and order execution goods and services RBC GAM Inc. has received. The goods and services provided by third party vendors are also included in this review.

To comply with the CFA Asset Manager Code, upon request, RBC GAM Inc. is able to provide information to clients who hold segregated securities the amount of soft and bundled commissions paid, the goods and/or services received in return, and how these goods and/or services benefit the client.

Valuation

RBC GAM Inc.'s *Valuation Policy*, sets out how RBC GAM Inc. manages the conflicts of interests that it faces with respect to valuing the securities owned by both the prospectused and non-prospectused funds that it manages. RBC GAM Inc.'s objective is to ensure that it values the securities held in the funds that it manages fairly and accurately.

Fixed income and equity securities are valued at their current market value on the valuation day. This valuation is obtained from various external pricing sources.

For listed equities the primary provider of market prices is REFINITIV and a last sale price is used where it is available from the primary source. Once the primary pricing source has been established, a number of secondary and tertiary pricing sources are used. In the event that such a price is not available, in the majority of cases RBC GAM Inc. will utilize an average of the bid and ask (mean price). Where this is unavailable, the prior day's close will be used for security valuation purposes.

The primary provider of market prices for Canadian fixed income securities is FTSE Global Debt Capital Markets (PC-Bond), which provides a mid-market 4pm Eastern Time pricing file. The primary providers of market prices for Global fixed income securities are ICE Data Services and BVAL (Bloomberg's evaluated pricing service).

Pricing for mortgages is valued by Intellifi Corporation, pricing for real estate is provided by QuadReal Property Group, and there are a number of providers of market prices for derivative securities (exchange & non-exchange traded) depending upon the security type.

RBC GAM Inc. uses fair value pricing when it does not consider the quoted market price of a security to be a reasonable estimate of its fair value or when there is no market quote for a security. In these circumstances, management is involved in assessing the factors affecting the valuation, such as news releases and discussions with portfolio managers, Investment Funds Institute of Canada (IFIC), industry analysts and brokers.

RBC GAM Inc. follows the specific guidelines for halt traded securities, private company securities and illiquid securities and the fair value general principles set out in the IFIC Bulletin #23, which include materiality and judgment.

RBC GAM fair values foreign equities daily using fair value adjustment factors supplied by ICE Data Services. The ICE Data Services fair value model use a combination of components in determining the fair value adjustment factor for each security.

In certain cases, fair value issues will be escalated to and reviewed by our Valuations Committee and, if applicable for the funds, brought to the attention of the Independent Review Committee of the funds.

RBC GAM Inc. maintains clear segregation of responsibilities for key pricing and valuation functions. Those RBC GAM Inc. staff members involved in the purchase and sale of securities (i.e., fund managers and traders) are not involved in inputting or determining the valuations of securities.

RBC GAM Inc. periodically tests its primary prices to the secondary service to ensure that they are accurate and investigates any significant discrepancies.

Summary of Policies and Procedures Part D: Technology

Business Continuity Plan and Disaster Recovery

RBC GAM Inc. maintains a Business Continuity Plan (BCP) to ensure that it is adequately prepared to carry on the investment management of client assets with minimal disruption to client service and to facilitate the recovery of key business functions in the event of loss of information technology; loss of physical facilities; and the loss of essential personnel. The BCP addresses multiple broad threat scenarios and outlines recovery objectives and plans, including tasks, roles, and responsibilities. RBC GAM Inc.'s BCP factors in with broader RBC business continuity plans.

RBC GAM Inc. has an Incident Management Team that is comprised of members of executive management who work with the RBC Enterprise Crisis Management Team to ensure continued service to clients during any significant incident or service disruption.

RBC GAM Inc. conducts regular crisis simulations to test its readiness and ability to respond in a timely manner to a variety of emergency situations including (but not limited to) a departmental or system disruption, building, city-wide or regional disruption, or a pandemic incident. RBC GAM Inc. also ensures that its major external vendors and service providers have adequately designed and tested continuity plans.

RBC GAM Inc.'s BCP testing includes:

- Call tree tests;
- Key application recovery tests;
- Infrastructure and power tests;
- Recovery site tests; and
- Remote access tests.

In short, RBC GAM Inc. has a comprehensive BCP and has effective processes and controls in place to mitigate business continuity risk.

Cyber Security

Global accountability and ownership for cyber security at RBC, resides with RBC's Chief Information Security Officer (CISO).

Cyber Security is a top priority at the RBC Board level. A cyber security update is presented to the RBC Board of Directors on a regular basis, outlining the current threat landscape with cyber security initiatives underway to address current and emerging threats.

RBC's cyber security strategy is comprehensive, and governance of cyber security risks and issues follows the enterprise risk management framework.

RBC has an established IT Risk Management Framework to provide the organization with a common understanding of the nature of IT Risks. It is intended to implement a robust risk management lifecycle to identify, mitigate and monitor IT risk; and provide clarity on the separation of governance and execution functions. The IT Risk Management Framework is supported by core IT enterprise policies and standards.

The framework, policies and standards undergo regular reviews and receive formal approval. RBC has an Enterprise Information Security Policy and Enterprise Information Security Standards that address such topics as Data Security, Logical Access, Application, and Infrastructure Security, etc.

RBC's cyber security standards are governed by the RBC Enterprise Information Security Policy, which is aligned to international security standards (i.e., NIST, ISO/IEC 27001:2013, ISF). Operating controls and procedures are aligned with global market standards, while additional control requirements are based on industry best practices.

RBC maintains a written cyber security incident response plan that is updated regularly. For cyber security incidents of enterprise significance, appropriate incident response and management teams would be engaged to be the central point of accountability and information dissemination to clients and stakeholders.

Information Security

RBC GAM Inc. adheres to the *RBC Enterprise Information Security Policy*. The *RBC Enterprise Information Security Policy* is governed by the Enterprise risk group. The policy is based on ISF Standard of Good Practice for Information Security, ISO/IEC 27001:2013 and the National Institute of Standards and Technology 800-53.

Included in the policy are the following:

- End-point devices
- Data security
- Infrastructure security
- Security Incident management and response
- Secure application development
- Identity and access management
- Threat intelligence management
- Vulnerability management
- Acceptable use of computing resources
- Third party
- Training and awareness

Summary of Policies and Procedures Part E: Sales and Marketing

Sales Practices

RBC GAM Inc. has policies and procedures which outline our practices relating to cooperative marketing, sponsorships and business promotion activities provided for the benefit of participating dealers and their representatives as governed by *National Instrument 81-105 Mutual Fund Sales Practices*. RBC GAM Inc. and its employees may make payments to participating dealers or provide benefits to representatives of participating dealers only if such payments or benefits comply with these policies.

Social Media

The RBC GAM Inc. *Marketing Policy and Procedures* addresses the usage of social media websites by RBC GAM Inc., as well as its employees.

All marketing content created by RBC GAM Inc. employees for social media must go through a review and approval process before it is uploaded onto the relevant site.

In addition to the above policy, all employees of RBC and its direct or indirect subsidiaries and business units must comply with an extensive number of policies that dictate how employees conduct themselves when using social media. These include:

- Code of Conduct Governance Policy
- RBC Enterprise Privacy Risk Management Policy
- RBC Enterprise Guidelines for Personal Use of Social Media
- RBC Enterprise Policy on the Use of External Social Media
- RBC Wealth Management Standards on the Use of External Social Media
- RBC Media and Communications Standards
- Respectful Workplace Policy – Enterprise

Summary of Policies and Procedures Part D: Risk Management

Fraud Risk Management

The *RBC Enterprise Fraud Risk Management Policy* provides direction and minimum requirements to ensure that RBC conducts business activities within its fraud risk appetite and that its fraud risk profile is used to support informed risk-based decisions in alignment with business strategy.

The policy supports the effective management of fraud risk by:

- (i) Establishing the binding minimum fraud risk management requirements;
- (ii) Defining roles and responsibilities for managing fraud risk; and
- (iii) Ensuring adherence to applicable regulatory requirements and expectations, including the Office of the Superintendent of Financial Institutions (OSFI) Guideline E-21, OSFI Capital Adequacy Requirements and Office of the Comptroller of the Currency Fraud Risk Management Principles.

The policy has been developed in alignment with the joint Association of Certified Fraud Examiners (ACFE) and the Committee of Sponsoring Organizations of Treadway Commission (COSO) Fraud Risk Management program guide released in September 2016.

Operational Risk Management

RBC recognizes the value of a comprehensive, coordinated enterprise-wide approach for the management of operational risk. Therefore, the *RBC Enterprise Operational Risk Management Policy* defines high-level requirements of the operational risk management tools established at RBC while the RBC Enterprise Operational Risk Management Framework establishes the principles of how RBC manages operational risk.

The RBC Enterprise Operational Risk Management Framework flows directly from the overall approach for management of risk that is articulated in RBC's Enterprise Risk Management Framework. This includes oversight, common language, standard practices and defined roles and responsibilities in managing the risks in RBC's activities. The RBC Enterprise Operational Risk Management Framework supports the Basel II requirements for operational risk management.

The RBC Enterprise Operational Risk Management Framework sets out how operational risk is identified, measured, controlled, monitored, and reported within RBC. This encompasses the practices, requirements, roles, and responsibilities for a fully comprehensive, coordinated enterprise-wide approach for the management of operational risk.

The RBC Enterprise Operational Risk Management Framework and the various program element standards are managed by RBC Group Risk Management – Enterprise Operational Risk Management.

Privacy

RBC and RBC GAM Inc. and its institutional division and affiliates, agents, directors, officers, and employees are dedicated to protecting client privacy and safeguarding clients' personal, business, and financial information that they entrust to RBC GAM Inc. RBC GAM Inc. follows RBC's comprehensive privacy policies and security practices in compliance with applicable laws.

Collectively, RBC and RBC GAM Inc.:

- Are required to treat as confidential all information about a client, the client's account, and the client's investment program: and
- Will not disclose that information to anyone who is not involved in the management and operation of a client's account, unless the client authorizes that disclosure, or if disclosure is necessary to comply with applicable laws.

Additional details regarding RBC's Privacy Principles are available on the RBC website:

<http://www.rbc.com/privacysecurity/ca/index.html>

Record Retention

In accordance with *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations*, RBC GAM Inc. is required to maintain records of its business activities, financial affairs, and client transactions, as well as records to demonstrate the extent of the firm's compliance with applicable securities legislation. Such records are generally maintained for a minimum of 7 years, in safe and durable form and in a manner that permits RBC GAM Inc. to retrieve it in a reasonable period of time.

These record retention requirements are imbedded into the firm's policies and procedures, including the designated individuals responsible for ensuring compliance with the requirements. Monitoring of adherence to the requirements is covered during the compliance testing process of policies, as well as during specific internal audit reviews.

RBC Global Asset Management

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund's prospectus before investing. Mutual funds are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. The unit values of non-money market funds change frequently. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated.

RBC GAM Inc. is the manager and principal portfolio adviser of the Phillips, Hager & North (PH&N) investment funds and RBC investment funds. PH&N Institutional is the institutional business division of RBC GAM Inc. Phillips, Hager & North Investment Management is a division of RBC GAM Inc.

RBC Global Asset Management is the asset management division of Royal Bank of Canada (RBC) which includes RBC GAM Inc., RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, and RBC Global Asset Management (Asia) Limited, which are separate, but affiliated subsidiaries of RBC.

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