

# Regulatory Disclosure Document



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

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

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

## Part A: RMFI Conflicts of Interest Disclosure

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

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

**It is important you read the disclosure below to understand the nature and extent of the material conflicts of interest and any potential impact and risks to you.** This updated disclosure is also available at [rbc.com/rmfidisclosures/](http://rbc.com/rmfidisclosures/).

New clients of Royal Mutual Funds Inc. (RMFI) are provided with this disclosure before opening an account. These disclosures and the obligations giving rise to them are part of our regulatory obligations and do not form part of your Account Agreement.

A conflict of interest may arise where

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

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

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

## Information about how we manage material conflicts of interest

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

Managed through policies and procedures, including confidentiality policies.

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

Royal Bank holds, directly or indirectly, all of the outstanding shares of RMFI.

Royal Bank is a reporting issuer under applicable securities laws and is a related issuer of RMFI.

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

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

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

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

Royal Bank is also the principal shareholder of certain registrants, including RBC Dominion Securities Inc., RBC Direct Investing Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Private Counsel (USA) Inc., RBC InvestEase Inc., RBC Global Asset Management Inc., RBC Global Asset Management (U.S.) Inc., RBC Capital Markets Corporation, Phillips, Hager & North Investment Funds Ltd., and RBC Securities Australia Pty Limited.

Certain directors and officers of RMFI are also directors and officers of one or more of the above affiliates. RMFI, Royal Trust Corporation of Canada and The Royal Trust Company are separate corporate entities and are affiliated.

### 2. Sale of proprietary products

Managed through the product due diligence review process, which includes evaluating the competitiveness of RBC GAM mutual funds compared to other mutual funds available in the Canadian retail market, compensation plan review process, disclosures and reporting to clients, transaction suitability checks, recommendation review with clients, and a services agreement with RBC GAM.

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

As a mutual fund dealer and principal distributor of RBC GAM mutual funds, we exclusively offer proprietary products to clients, which include a broad range of RBC Funds® and PH&N Funds. RMFI also makes available to clients guaranteed investment certificates and high interest bearing savings accounts offered by RBC.

In addition, financial planning (provided to certain RMFI clients), retirement planning and investment advice are provided through RMFI. The selection of mutual funds and the type of investment and financial planning services

available to you depend on your particular circumstances and investment needs, which may change over time. The products or services you may receive from RMFI may vary depending on whether you choose online or in-person services and whether you are meeting with a Banking Advisor, Financial Advisor, Financial Planner or one of our mutual funds representatives in another role.

Our suitability determination will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse, or equal in meeting a client's investment needs and objectives.

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

RBC mutual funds are manufactured and managed by RBC GAM, are offered through RMFI and are connected issuers of RMFI.

- Non-monetary benefits – As principal distributor of the RBC GAM mutual funds, RMFI receives services and investment and client reporting tools from RBC GAM, which provide analysis and investment portfolio proposals that include certain RBC GAM mutual funds. RMFI leverages these tools in making investment recommendations to clients. RBC GAM also provides certain training for representatives.
- Cooperative marketing practices – RMFI and RBC GAM engage in cooperative marketing practices because of RMFI’s role as principal distributor of the RBC GAM mutual funds.
- Conflicts of interest within the RBC GAM mutual funds – RBC GAM manages the conflicts of interest it has as a manager of the RBC GAM mutual funds, including causing such funds to invest in securities issued by other RBC Companies or investing in securities underwritten by dealers that are part of the group of RBC Companies, in the best interests of the applicable funds, and obtaining approvals and positive recommendations from the Independent Review Committee (IRC) for the funds, as appropriate, before taking such actions. The conflicts of interest considered by the IRC for the RBC GAM mutual funds are disclosed in the IRC’s annual report to unitholders, which is available on the RBC GAM website.
- Revenues generated for each of RBC GAM as manager of the RBC GAM mutual funds – RBC GAM receives management fees for its management of the RBC GAM mutual funds. The management fee covers costs associated with managing the day-to-day business of the RBC GAM mutual funds and managing the investment portfolio of the RBC GAM mutual funds which may include equities, fixed income and other RBC GAM mutual funds. Since management fees are based on the amount of assets invested in RBC GAM, your investment in an RBC GAM mutual fund will generate revenues for RBC GAM mutual fund. RBC GAM pays part of its management fee as a trailing commission to RMFI for distribution services. These fees and trailing commissions are disclosed in the simplified prospectuses of the RBC GAM mutual funds.

### **3. Referral fees**

**Managed through allowing only approved referral arrangements, confirmation that a referral is in the client’s best interest, disclosures and documenting all referrals in the RBC Referral Management System.**

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

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

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

### **4. Account type offering**

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

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

## 5. Internal compensation arrangements and incentives

Controls designed to manage this conflict include commission caps, process controls, alignment with representatives' work effort and complexity of advice, regular compensation review, suitability reviews, performance reviews of representatives, Referral Management System, and controls such as sample monitoring for identifying advisor variance from ordinary product distribution mix.

Our registered representatives receive remuneration from Royal Bank, which may be comprised of base salary, base salary and variable compensation or all variable compensation (for registered representatives that are Investment Retirement Planners). Our registered representatives may receive certain incentives where higher compensation is linked to a combination of factors including product type, account balance, investment amount, revenue/sales targets, commissions, product complexity and advice, client experience, manager's production commission, team achievements, novelty of clients to RMFI, novelty of client assets to RMFI, and referrals, as applicable, which may influence a registered person or manager of registered persons, such as Investment Retirement Planners, to act in various self-interested ways. Examples include recommending a product that will result in more compensation as opposed to an equivalent (or better) product that more closely meets the client's investment needs and objectives, or is in the client's best interest, or encouraging clients to invest more money in their account or seeking to generate as much client business as possible in order to receive additional compensation. More examples of these types of incentives include contests, promotional activities, events and charitable donations with tax benefits to representatives.

## 6. Gifts and entertainment

**Managed through value limits, prior approvals, and policies and procedures for eligibility, disclosure, prohibitions, and tracking.**

Gifts and entertainment from clients, third parties or other employees may influence representatives or compromise their judgement.

## 7. Outside activities

**Managed through approvals, disclosures, policies and procedures, annual acknowledgement, and in some cases, prohibitions.**

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

## 8. Representatives' personal financial dealings with clients

**Managed through training and policies generally prohibiting representatives from accepting appointments of fiduciary roles (e.g., power of attorney, mandataire, executor, trustee, administrator, liquidator) or inheritances from a client.**

Examples include lending, borrowing, private investment schemes, purchasing a client's assets, or sharing an account with a client like an investment club, and may include non-monetary benefits.

## 9. Servicing clients undergoing relationship breakdown

**Managed through disclosures, client consent, policies and procedures.**

If spouses or common law partners who are undergoing a separation or divorce wish to continue to work with their existing financial planner or mutual funds representative, the potential competing interests between spouses or partners in a relationship breakdown could give rise to an actual or perceived conflict of interest, which may impact the advisor's ability to provide services to one or both clients.

## 10. Spread on interest rates

**Managed through disclosures and interest rate adjustments**

We and/or our affiliates may earn interest or revenue on the cash balances in your account and may retain excess amounts over the amount of interest that you are paid, if any.

We and our affiliates, as applicable, address this conflict as follows: (1) interest rates are adjusted from time to time based on various factors, including, but not limited to, market analysis, Bank of Canada and other bellwether rates, and/or cash rates; and (2) interest rates are disclosed to you.

## 11. Recommendations to Borrow to Invest (Leverage)

Managed by separate suitability assessment for leverage strategies, procedures and training for representatives on assessing client suitability for leverage strategies, recommendation of leverage for certain account types are limited to certain registered representative roles, pre-approval of recommended leverage strategies and supervision of leveraged transactions, disclosure of potential risks and costs associated with leverage strategies.

Our representatives may recommend leverage strategies to clients, which involves the use of borrowed money to finance the purchase of investments. Conflicts of interest arise, as in recommending leverage strategies, representatives may be motivated by additional compensation earned from the sale of RMFI investment products.

## Referral arrangements

RMFI and its mutual funds representatives receive referral fees from Royal Bank of Canada for referring clients to another party, including other parties within the group of RBC Companies. The details of our existing referral arrangements are described in this document, including:

- the fees we may receive, a portion of which may be allocated to our mutual funds representatives; and
- the fees our mutual funds representatives may receive directly.

Referral fees are not paid by you.

To the extent we have a referral arrangement with another party that is not described below, we will provide you with appropriate disclosure of the referral arrangement before we make any referral to you. Our mutual funds representatives may receive compensation in the form of referral fees from the following RBC Companies, for referring clients to those companies (or an affiliate, as applicable) for products or services, under a written referral agreement with RMFI:

- **RBC Dominion Securities Inc.** (RBC Dominion Securities®), a registered investment dealer under Canadian securities regulations, providing full service or discretionary investment advice on a broad product shelf not offered through RMFI, including advice in respect of stocks and bonds. Royal Bank of Canada (a financial institution providing a broad range of banking and financial services) and RBC Private Counsel (USA) Inc. (a company incorporated under the laws of Canada and registered with the United States Securities and Exchange Commission as a foreign resident investment adviser) (RBC PC USA) are each also a party to this referral agreement, to reflect the payment of referral fees by RBC Dominion Securities on behalf of RBC PC USA for referrals to RBC PC USA of clients resident or domiciled in the United States (as applicable) for products and services offered by RBC PC USA.
- **RBC Direct Investing Inc.** (RBC Direct Investing®), a registered investment dealer under Canadian securities regulations, providing order execution only investment services not offered by RMFI, where clients can transact without any investment advice and suitability determination provided by RBC Direct Investing. Royal Bank of Canada is also a party to this referral agreement.
- **RBC InvestEase Inc.** (RBC InvestEase®), a registered discretionary portfolio manager under Canadian securities regulations, providing discretionary portfolio management services not offered through RMFI. Royal Bank of Canada is also a party to this referral agreement.
- **RBC Phillips Hager & North Investment Counsel Inc.** (PH&N Investment Counsel), a registered discretionary portfolio manager under Canadian securities regulations, providing discretionary portfolio management services not offered through RMFI to high net worth and ultra-high net worth clients. Royal Bank of Canada and RBC PC USA are each also a party to this referral agreement to reflect the payment of referral fees by PH&N Investment Counsel on behalf of RBC PC USA for referrals to RBC PC USA of clients resident or domiciled in the United States (as applicable) for products and services offered by RBC PC USA.
- **Phillips Hager & North Investment Funds Ltd.** (PH&N Investment Services®), a registered mutual fund dealer under Canadian securities regulations, providing mutual fund investment advice for certain clients in specific circumstances based on the particular client's needs or preferences. Royal Bank of Canada is also a party to this referral agreement.
- **Royal Trust Corporation of Canada / The Royal Trust Company** (Royal Trust®), a trust company, not registered under Canadian securities regulations, providing various trust and wills and estates related services to clients. Royal Bank of Canada is also a party to this referral agreement.
- **Royal Bank of Canada**, specifically in respect of its Group Advantage business segment, providing group savings products for business owners and their employees.

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

Current Referral Fees Paid for Referring Clients to Another RBC Company			
	If your registered representative is an Investment Retirement Planner	If your registered representative is a Financial Planner	If your registered representative is a Private Banker
<b>RBC Dominion Securities</b>	<ul style="list-style-type: none"> <li>25% of the actual first year revenue in connection with your RBC Dominion Securities or RBC PC USA account, as applicable</li> </ul>	<ul style="list-style-type: none"> <li>25% of the actual first year revenue in connection with your RBC Dominion Securities or RBC PC USA account, as applicable</li> </ul>	<ul style="list-style-type: none"> <li>25% of the actual first year revenue in connection with your RBC Dominion Securities or RBC PC USA account, as applicable</li> </ul>
<b>RBC Direct Investing</b>	<ul style="list-style-type: none"> <li>\$100 – if you have a balance between \$500 and \$30,000 in investable assets transferred from a third party</li> <li>35 basis points, up to a maximum of \$15,000, if you have a balance greater than \$30,000 in investable assets transferred from a third party</li> </ul>	<ul style="list-style-type: none"> <li>\$100 – if you have a balance between \$500 and \$80,000 in investable assets transferred from a third party</li> <li>12.5 basis points, up to a maximum of \$15,000, if you have a balance greater than \$80,000 in investable assets transferred from a third party</li> <li>\$100 – if you have a balance between \$500 and \$200,000 in investable assets transferred from an RBC account</li> <li>5 basis points, up to a maximum of \$15,000, on your RBC account assets if you have a balance greater than \$200,000 in investable assets</li> </ul>	<ul style="list-style-type: none"> <li>If you have a minimum of \$50,000 in external assets only, the greater of \$250 or 15% of the estimated first year revenue for your account to a maximum of \$10,000 per household per rolling 12 months</li> </ul>

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

	If your registered representative is an Investment Retirement Planner	If your registered representative is a Financial Planner	If your registered representative is a Private Banker
<b>RBC InvestEase</b>	<ul style="list-style-type: none"> <li>■ \$100 – if you have a balance between \$500 and \$30,000 of investable assets transferred from a third party</li> <li>■ 35 basis points, up to a maximum of \$15,000, if you have a balance greater than \$30,000 in investable assets transferred from a third party</li> </ul>	<ul style="list-style-type: none"> <li>■ \$100 – if you have a balance between \$500 and \$80,000 in investable assets transferred from a third party</li> <li>■ 12.5 basis points, up to a maximum of \$15,000, if you have a balance greater than \$80,000 in investable assets transferred from a third party</li> <li>■ \$100 – if you have a balance between \$500 and \$200,000 in investable assets transferred from an RBC account</li> <li>■ 5 basis points, up to a maximum of \$15,000, on your RBC account assets if you have a balance greater than \$200,000 in investable assets</li> </ul>	<ul style="list-style-type: none"> <li>■ No referral fees</li> </ul>
<b>PH&amp;N Investment Counsel</b>	<ul style="list-style-type: none"> <li>■ 25% of the actual first year revenue in connection with your PH&amp;N Investment Counsel or RBC PC USA account, as applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ 25% of the actual first year revenue in connection with your PH&amp;N Investment Counsel or RBC PC USA account, as applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ 25% of the actual first year revenue in connection with your PH&amp;N Investment Counsel or RBC PC USA account, as applicable</li> </ul>
<b>Royal Trust</b>	<ul style="list-style-type: none"> <li>■ 10% of the estimated fee for immediate revenue estate services, to a maximum payment of \$25,000</li> </ul>	<ul style="list-style-type: none"> <li>■ No referral fees</li> </ul>	<ul style="list-style-type: none"> <li>■ No referral fees</li> </ul>
<b>PH&amp;N Investment Services</b>	<ul style="list-style-type: none"> <li>■ \$50 – if you have a balance of between \$15,000 and \$49,999.99 in investable assets</li> <li>■ 35 basis points on your account assets, up to a maximum of \$3,000, if you have a balance of \$50,000 or more in investable assets</li> </ul>	<ul style="list-style-type: none"> <li>■ 12.5 basis points on your account assets transferred from a third party if you have a minimum balance of \$50,000 in investable assets, up to a maximum of \$15,000</li> <li>■ 5 basis points on your RBC account assets if you have a minimum balance of \$50,000 in investable assets, up to a maximum of \$15,000</li> </ul>	<ul style="list-style-type: none"> <li>■ If you have a minimum of \$50,000 in external assets only, the greater of \$250 or 15% of the first year revenue for your account to a maximum of 20 basis points or \$10,000</li> </ul>

Current Referral Fees Paid for Referring Clients to Another RBC Company			
	If your registered representative is an Investment Retirement Planner	If your registered representative is a Financial Planner	
<b>Royal Bank of Canada, Group Advantage business segment</b>	<ul style="list-style-type: none"> <li>■ 50 basis points on investable assets, up to a maximum of \$50,000 per Group Sponsor, if the Group plan is a Defined Contribution Pension Plan (DCPP)</li> <li>■ \$200 – if the Group plan is a Voluntary Retirement Savings Plan (VRSP)</li> </ul>	<ul style="list-style-type: none"> <li>■ No referral fees</li> </ul>	<ul style="list-style-type: none"> <li>■ 50 basis points on investable assets in a Group plan with a minimum asset balance of \$100,000, up to a maximum payout of \$10,000</li> </ul>

## Part B: Relationship Disclosure Information

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

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

### Products and services

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

RMFI exclusively offers proprietary products to clients and is the principal distributor of certain mutual funds managed by its affiliate, RBC Global Asset Management Inc. (RBC GAM).

As such, we make a broad range of RBC GAM mutual funds available to our clients.

GICs and other types of Royal Bank of Canada bank products may also be distributed through RMFI. Because of our association with the Royal Bank of Canada, we do not offer investment products of entities unrelated to us. See Part A: RMFI Conflicts of Interest Disclosure for more information on how we address the conflicts associated with the sale of proprietary products. Speak to your mutual funds representative should you be interested in holding third party mutual funds or other types of products not made available through RMFI.

In addition, financial planning (provided to certain RMFI clients), retirement planning and investment advice may be provided through RMFI. RMFI also offers a portfolio monitoring service (drift notification and rebalancing) that lets you authorize RMFI to monitor and rebalance your account based on your instructions relating to target mutual fund allocation, monitoring start date, drift threshold and frequency. See your Account Agreement or speak with a mutual funds representative for more information about this service in your particular circumstances.

The selection of mutual funds and the type of investment and financial planning services available to you depend on your particular circumstances and investment needs, which may change over time. The products or services you may receive from RMFI may vary depending on whether you choose online or in-person services and whether you are meeting with a Banking Advisor, Financial Advisor, Financial Planner or representative in another role.

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

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

### **Nature of advisory relationship**

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

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

### **Types of accounts**

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

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

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

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

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

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

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

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

Secure: The safety and security of the investments is the highest priority. An investor is willing to accept a lower rate of return in exchange for predictable earnings, and may require only modest income from the investments. An example of an investment is a Money Market Fund.

Very Conservative: Some safety and security of the investments are priorities. An investor is willing to accept small fluctuations in the value of the capital, and may require income from the investments. Examples of investments are Bond Funds and Income Funds.

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

Balanced: A balanced combination of income and moderate capital growth. An investor can accept fluctuations in the value of the investments for the potential of higher returns. An example of investments is a mixture of Income, Balanced and Equity Funds.

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

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

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

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

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

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

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

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

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

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

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

Average: The willingness to accept moderate volatility. Some capital growth and the potential for returns are important. Above Average: The willingness to accept substantial volatility. Capital growth potential is important.

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

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

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

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

**Investment time horizon** Your investment time horizon is the period between now and the point when you will need to access a significant portion of the money you have accumulated in your account, taking into consideration any anticipated liquidity needs. You may still have a medium- or long-term time horizon after you are retired and drawing funds from your account as it may be several years before you draw down the bulk of your retirement savings. The length of your investment time horizon and your need to access all or a portion of your investments to meet ongoing and short- term expenses and financial obligations or fund major planned expenditures impact the investments that may be suitable for you.

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

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

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

Conservative: Reasonable safety and an ability to accept moderate fluctuations in the value of the investments.

Balanced: A balanced combination of income and moderate capital growth. An investor has at least an average risk tolerance and a longer investment time horizon.

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

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

## Investment suitability assessment

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

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

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

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

RMFI does not necessarily assess the suitability of the investments in your account in the absence of these triggering events. For example, the occurrence of a significant market fluctuation would not generally trigger a suitability assessment. You may wish to contact us to speak about a significant market fluctuation.

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

## Procedures regarding handling of cash and cheques

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

## Statements, confirmations and reports

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

RMFI will send you a confirmation of every purchase, sale and switch transaction in your account, which will include the date of the transaction and settlement date, the quantity and description of the investment, the price per unit at which the trade was effected, any commission and charges if applicable, and the name of the RMFI representative involved in the transaction. However, if you participate in a pre-authorized mutual fund purchase plan, RMFI will send you a confirmation only for the first purchase made under the plan. If you participate in a mutual fund rebalancing program, RMFI will not send you a confirmation in respect of rebalancing trades.

RMFI will send you a performance report and a report on charges and other compensation annually. Your performance report will include the amount of the annualized total percentage return for your account calculated net of charges, using a money-weighted rate of return, for 1, 3, 5 and 10 year periods and since account inception. Your report on charges and other compensation is a personalized report that provides details about the compensation received by RMFI over the past year for advice, access and service relating to the mutual funds in your account, including transaction charges, operating charges and commissions, as applicable.

## Fees and charges

A description of the fees and charges that you will or may incur relating to the general operation of your account(s) is set out in your Account Agreement. RMFI may receive commissions or other compensation from other parties with respect to the sale of certain investment products.

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

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

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

In some circumstances you may be charged other fees in connection with mutual fund transactions such as early redemption fees, switch fees, short-term trading fees or an account transfer out fee of \$150. As mutual fund fees and costs vary by fund manager and product and account type, you should speak with your mutual funds representative to understand the charges related to you and to any particular transaction.

## Investment performance benchmark

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

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

## **Loans and leverage**

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

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

## **Trusted contact person and temporary hold**

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

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

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

If we have a reasonable belief that you are being financially exploited or that you are experiencing diminished mental capacity which may affect your ability to make financial decisions relating to your account(s), we may place a temporary hold on your account or a particular transaction. We will provide you with a verbal or written notice explaining our actions, in addition to contacting your TCP, as above.

## **Canadian Investor Protection Fund (CIPF)**

Customers’ accounts are protected by the CIPF’s Mutual Fund Dealer Fund within specific limits. Mutual fund dealer customer accounts located in Quebec will not be eligible for coverage by CIPF. Please refer to the CIPF Coverage Policy on the website at [cipf.ca](http://cipf.ca) for a description of the nature and limits of coverage, or contact CIPF at 1-866-243-6981.

## **Your participation in our relationship as a client.**

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

- Keeping us up to date. Please give us complete and accurate information about yourself, and let us know as soon as possible if there is any change in that information. For example, we need to know if you have a change in
  - personal circumstances (including employment status, dependents, occupation)
  - financial circumstances (including income, liquidity needs, net worth)
  - contact information
  - investment needs and objectives
  - risk tolerance
  - investment time horizon
- Being informed. Make sure you understand the potential risks and returns on your investments. Please carefully review the information we provide you about our products and services. You should consult with a professional tax and/or legal advisor on all matters relating to your investments, including your residency for tax purposes.

- Asking questions. Please ask your RMFI mutual funds representative for assistance with questions about your account, transactions or investments, or your relationship with RMFI. If you need more assistance, your RMFI mutual funds representative will be able to direct your question to get answers for you.
- Staying on top of your investments. Please review all the account documentation, statements and information we provide you about your portfolio holdings and performance. Natural shifts in the market may change your asset allocation or the weighting of different investments in your portfolio. This can expose you to more risk or less risk than you are comfortable with. Speak to your RMFI mutual funds representative if you have questions or concerns, and on a regular basis to ensure that the holdings in your portfolio remain consistent with your risk profile and investment objectives.

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

Natural shifts in the market may change your asset allocation or the weighting of different investments in your portfolio. This can expose you to more risk or less risk than you are comfortable with. Speak to your RMFI mutual funds representative if you have questions or concerns, and on a regular basis to ensure that the holdings in your portfolio remain consistent with your risk profile and investment objectives.

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

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

- If you have a complaint it is important that you let us know right away. You should be aware that there are limitation periods for making a claim, including legal time limits for taking civil action, as well as record retention rules and policies. For further information regarding limitation periods in your province/territory, contact a lawyer or your provincial/territorial government.
- While we do accept verbal complaints, we recommend that client complaints be put into writing. You may submit your complaint by sending us a secure message from the online banking message center, calling us at 1-800-463-3863, visiting any of our branches or contacting your RMFI mutual funds representative or the Branch Manager who supervises that individual. If your complaint is incomplete or if information is missing, we will request that you submit additional information to us.
- All client complaints are promptly recorded in a client complaint register.
- Where applicable, an initial acknowledgement letter together with an overview of our client complaint examination and resolution policy and a copy of the CIRO's "How to Make a Complaint" brochure (CIRO Complaints Brochure) will be sent to you within five business days. The CIRO Complaints Brochure is also provided to you on account opening.
- We review all complaints fairly, taking into account the relevant documents we have obtained which may include the information you have provided about your complaint, your RMFI record and documents, statements obtained from our representatives, other staff members or any other source.
- The Branch Manager will be the primary point of contact for the client during the client complaint process. Generally, our Compliance department will investigate client complaints relating to potential issues under securities regulations.
- If you reside outside Quebec, we will respond to your complaint as soon as possible, however our complaint examination process may take up to 90 calendar days, depending on the complexity of the matter. We will provide you with a status update if your complaint is going to take us longer than 90 calendar days to respond and the revised expected response timeframe. If you reside in Quebec, we will respond to your complaint as soon as possible and no later than 60 calendar days, except in exceptional circumstances or circumstances beyond our control, when we will provide a response no later than 90 calendar days following receipt of your complaint.
- Contact us if you have any questions or comments regarding our response. If we present an offer as part of our response to your complaint, we will provide a reasonable time for you to assess and respond to the offer. Once we reach an agreement with you to resolve your complaint, we will give effect to the agreement within 30 calendar days unless a different time period is agreed upon.
- If you do not receive RMFI's final response within the timelines noted above, or if you are not satisfied with our final response, you may choose to escalate your complaint to the Ombudsman for Banking Services and Investments (OBSI) for their review. You have up to 180 days after receiving RMFI's final response to submit your complaint to

the OBSI. The OBSI is a free, independent service for resolving investment disputes impartially and can recommend compensation of up to \$350,000. The OBSI can be contacted as follows:

Toll-free telephone: 1-888-451-4519

Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)

Website: [obsi.ca](http://obsi.ca)

Fax: 1-888-422-2865

Mail: 20 Queen Street West, Suite 2400, P.O. Box 8, Toronto, ON M5H 3R3

- You may make a complaint to the CIRO at any time. The CIRO will investigate your complaint and take enforcement action where appropriate. The CIRO can be contacted as follows:

Complete the online complaint form at [ciro.ca](http://ciro.ca)

By email at [info@ciro.ca](mailto:info@ciro.ca)

By telephone at 1-877-442-4322

By fax at 1-888-497-6172

By mail: 40 Temperance Street, Suite 2600, Toronto, ON M5H 0B4

- If you reside in Quebec you may, at any time, request that your complaint file be transferred to the Autorité des marchés financiers (AMF). We are required to send the complaint record to the AMF no later than 15 calendar days following receipt of your request. Once your file is transferred, the AMF will review it, recommend dispute resolution services and could offer you its mediation services if it deems it appropriate, with the agreement of the parties involved. Mediation is an amicable settlement process in which a mediator helps the parties reach a satisfactory agreement. Transferring your file to the AMF does not interrupt the prescriptive period for civil remedies. The AMF may be contacted as follows:

Quebec City: 418-525-0337 or 2640, boulevard Laurier, bureau 400, Québec (Québec) G1V 5C1

Montreal: 514-395-0337 or 800, rue du Square-Victoria, bureau 2200, Montréal (Québec) H3C 0B4

Toll-free: 1-877-525-0337

Fax: 418-525-9512 or 514-873-3090

Email: [information@lautorite.qc.ca](mailto:information@lautorite.qc.ca)

Website: [lautorite.qc.ca](http://lautorite.qc.ca)

Our Compliance department will act as the respondent to the AMF.

- You may also pursue legal action and seek independent legal counsel to advise you of your options and recourses including information regarding the applicable limitation periods in your province/territory.
- Upon receipt of RMFI's response, if you are not in agreement with our resolution, you also have the option to escalate your concerns to the RBC Client Complaints Appeal Office (CCAO), which is the most senior designated office appointed to address appealed complaints within RBC. If you choose to do so, we will forward your complaint on your behalf to the RBC CCAO. The RBC CCAO is an internal office employed by Royal Bank of Canada (RBC) and is not an independent dispute resolution service. The RBC CCAO's services are completely voluntary and free. The RBC CCAO can only review your concern after you have received a response from RMFI. The estimated time that the RBC CCAO takes to review and provide a response to matters is within 90 days upon receipt of the complaint; however, complex investigations may take longer to resolve.
- You may escalate your complaint to the OBSI, CIRO or AMF, as applicable, without going to the RBC CCAO. If you escalate the matter to the RBC CCAO, the limitation periods for escalation to the OBSI or commencement of a civil action continue to run while the RBC CCAO reviews your complaint. This may impact your ability to pursue a future civil claim. We advise you to consult your legal counsel accordingly.
- Our Compliance department will report client complaints to the regulators as required.

For more information about RMFI's complaint handling process, please contact your RMFI mutual funds representative or the Branch Manager.

You can also visit RBC Royal Bank's *Make a Complaint* website at [rbc.com/customercare/index.html](http://rbc.com/customercare/index.html) to learn about the steps you can take if you have a complaint about RBC Royal Bank or its products and services.



**CIRO · OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

# How to Make A Complaint





## About CIRO

CIRO regulates the activities of Canadian investment dealers and mutual fund dealers and the advisors they employ. CIRO sets rules for the firms and advisors we regulate and monitors the trading activity on all Canadian marketplaces. We can take disciplinary action if firms or their advisors break our rules. CIRO is overseen by the provincial and territorial securities regulators.

Here is what you need to know if you have a complaint about your advisor or investment firm regulated by CIRO.

### **You Can Make a Complaint to Your Investment Firm**

Clients of a firm regulated by CIRO who are not satisfied with a financial product or service can make a complaint to the firm and seek resolution of the problem. The firm must follow our rules for handling client complaints and address your complaint promptly and fairly. You can find your firm's contact information on your account statement and your firm's complaint handling procedures on their website.

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Learn more at [ciro.ca](http://ciro.ca) about how to make a complaint, where you can get help and your options for seeking compensation.



## You Can Also Complain Directly to CIRO

If you feel there has been misconduct in the handling of your account we want to hear from you. You can complain to CIRO directly and we can investigate to determine if your advisor or firm has broken our rules and, if necessary, take disciplinary action. Disciplinary action can include fines or suspensions for firms or advisors that have broken our rules. You can make a complaint to CIRO, at any time, whether or not you have complained to your firm. However, CIRO does not order compensation to investors. If you are seeking compensation, the first step is to make a complaint to your investment firm. You can also consider the options described on the pages that follow.

We can be contacted by:

- 1 Completing the easy and convenient online complaint form at [ciro.ca](http://ciro.ca)
- 2 By email at [info@ciro.ca](mailto:info@ciro.ca)
- 3 By telephone at 1-877-442-4322
- 4 Fax at 1-888-497-6172
- 5 40 Temperance Street, Suite 2600  
Toronto, ON M5H 0B4

## Examples of Complaints We Investigate

Your firm or advisor:

-  Recommended investments that were too risky for you;
-  Made trades in your account without your permission or used your funds in ways that you were unaware of;
-  Charged you fees that were not explained to you;
-  Signed forms on your behalf without your knowledge.

Learn more at [ciro.ca](http://ciro.ca) about how to make a complaint, where you can get help and your options for seeking compensation.

## If You Are Seeking Compensation You Have Options



### **The Ombudsman for Banking Services and Investments (OBSI)**

If you do not receive a response from your investment firm within 90 days or you are not satisfied with the firm's response you can go directly to OBSI. OBSI is Canada's free, independent and impartial service for resolving investment and banking disputes with participating firms. CIRO requires all the investment firms it regulates to take part in the OBSI process. OBSI can recommend compensation up to \$350,000, but currently its decisions are not legally binding. **You have 180 days to bring your complaint to OBSI after receiving a response from your investment firm. If your firm has not responded within 90 days, then you can take your complaint to OBSI without your firm's response.**

You can contact OBSI at:

- 1 1-888-451-4519
- 2 [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)
- 3 [obsi.ca](http://obsi.ca)
- 4 20 Queen Street West, Suite 2400  
P.O. Box 8  
Toronto, ON M5H 3R3

### **Other Options**

#### **Going to Court**

You can hire a lawyer to take legal action or to assist you with your complaint, however this can be an expensive option. There are also time limits on legal action, which vary by province or territory. Once the time limit expires you may not be able to pursue your claim.

#### **Arbitration**

Arbitration is a process where a qualified arbitrator, chosen in consultation with both you and the investment firm, hears both sides and makes a final, legally binding decision about your complaint. This option is available if your CIRO firm is an investment dealer. There are costs to using arbitration, though often less than going to court. The arbitrator acts like a judge and reviews facts presented by each side of the dispute. Either side can choose to be represented by a lawyer, though this is not required. Arbitrators in the CIRO arbitration program can award up to \$500,000.

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Learn more at [ciro.ca](http://ciro.ca) about how to make a complaint, where you can get help and your options for seeking compensation.

## Provincial and Territorial Securities Regulators

### Quebec

If you live in Quebec, in addition to the options previously described, you can use the free services of the **Autorité des marchés financiers** (AMF). If you are dissatisfied with the firm's handling of the complaint or the outcome, you can request to have the complaint examined by the AMF. The AMF will assess the complaint and may offer conciliation and mediation services, though firms are not required to participate.

If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the Fonds d'indemnisation des services financiers ("Financial Services Compensation Fund"). Up to \$200,000 can be payable for an eligible claim.

For more information on the AMF:

1 1-877-525-0337

2 [lautorite.qc.ca/en](http://lautorite.qc.ca/en)



### Other Provinces or Territories

Some provincial or territorial securities regulators can, *in certain cases*, seek an order that a person or company that has broken securities law pay compensation to harmed investors who make a claim. These orders are enforced similar to court judgments.

Access the link to your provincial or territorial securities regulator by visiting the following Canadian Securities Administrators page: [securities-administrators.ca/about/contact-us](http://securities-administrators.ca/about/contact-us)



**CIRO · OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

Your complaint matters. It helps  
to ensure you are treated fairly  
and can help CIRO better protect  
investors now and in the future.

Learn more about how  
to make a complaint,  
where you can get help  
and your options for  
seeking compensation.



[ciro.ca](http://ciro.ca)

