

Important information for certain investment accounts held at HSBC Investment Funds Canada Inc.

As was previously noted in the Product Migration Guide, US dollar mutual funds and/or USD cash in registered plans, market-linked guaranteed investment certificates and joint registered education savings plans (with two subscribers) cannot be carried by the systems of Royal Mutual Funds Inc. (**RMFI, we or us**). To ensure clients of HSBC Investment Funds Canada Inc. (**HIFC**) are able to maintain these offerings at a securities registrant directly or indirectly owned by Royal Bank of Canada (**RBC Company**), such accounts and all holdings therein (including holdings not specified above) (the **Accounts**) will be carried by RBC Dominion Securities Inc. (**RBC DS**). It is expected that the Accounts will be migrated to the home of best fit with an RBC Company within two years following the migration of the Accounts.

The Accounts will operate under an RMFI account agreement and RMFI representatives will be responsible for providing clients with advice. As such, product offerings in the Accounts will be limited to those products available on the RMFI platform. RMFI representatives recommend only RBC proprietary products that include a broad range of affiliate-managed mutual funds including Indigo Funds, RBC Global Asset Management® (GAM) mutual funds and PH&N Funds. Please refer to the RMFI Regulatory Disclosure Document for more information on how we manage conflicts of interest associated with the sale of proprietary products. In addition, please note that registered education savings plans do not have the ability to hold USD cash, and any USD cash balances at the time of migration will be converted by HIFC to CAD cash.

RBC DS will provide certain services to the Accounts pursuant to an arrangement under which RMFI is an introducing dealer and RBC DS is a carrying dealer under applicable securities legislation. This means that certain services are provided by RBC DS to us in relation to the Accounts and pursuant to a written Introducing/Carrying Dealer Agreement between us and RBC DS. Under this arrangement, RBC DS is responsible for trade execution services, clearing services, custody of cash and securities, trade supervision and recordkeeping services. RMFI is responsible for obtaining account opening documentation, providing advice in respect of the Accounts, the application of “know your client” rules and suitability assessments as required under applicable law and the requirements of the Canadian Investment Regulatory Organization; and for addressing any issues identified by RBC DS when carrying out trade supervision.

Following the migration of the Accounts, clients can reach out to an RMFI representative by phone at 1-888-506-4694 should they have any questions.

Additional Information

Account Statements and Trade Confirmations. As a carrying dealer, RBC DS has agreed to provide RMFI with recordkeeping services. This includes providing account statements and trade confirmations in respect of the Accounts. As a registered mutual fund dealer, account statements provided by RMFI are required to include the name, address and telephone number of RMFI, and trade confirmations are required to include the name of RMFI. As account statements and trade confirmations for the Accounts will be provided by RBC DS, the RMFI information noted above may not be included. Account statements and trade confirmations will include the name, address and telephone number, as applicable, of RBC DS.

Canadian Investor Protection Fund (CIPF). Customers' accounts are protected by the CIPF's Investment Dealer Fund in the event of an investment dealer's insolvency and CIPF's Mutual Fund Dealer Fund in the event of a mutual fund dealer's insolvency, in accordance with its Coverage Policy. CIPF's Mutual Fund Dealer Fund does not cover accounts located in Quebec. A brochure describing the scope and nature of coverage, as well as the limitations and exclusions of coverage, is available upon request.

