

# You, your financial advisor & RBC Correspondent Services



**Correspondent Services**

No matter where you are on a scale of investment experience and assets, you share a basic concern with all investors:

This is my money; this is my future. I want the best professional support available to help me with my investment decisions.

To help you with your investment decisions, you've carefully chosen a financial advisor you trust and respect. That same level of care was used by your broker/dealer in selecting RBC Correspondent Services, a leading clearing services firm. Our responsibility is to execute and process securities transactions and carry client accounts on a fully disclosed basis for your financial advisor.

## **Following are some questions we hear frequently about how clearing firms work:**

### **What is "clearing?"**

Securities markets are highly regulated. Whenever money and securities are exchanged, regulatory bodies, such as the Securities and Exchange Commission, require that every aspect of the transaction be documented and verified. The process of completing and documenting the trade is known as execution and clearance.

### **How are clearing functions different from brokerage activities?**

RBC Correspondent Services ("RBC CS"), handles the processing of your transactions. We do not provide investment advice, nor do we execute any order received directly from you. Neither are we responsible for determining the suitability of investment recommendations made by your financial advisor. Your financial advisor is responsible for initiating transactions and investigating and resolving any inquiries you may have about your account. (For further information, please refer to your disclosure letter.)

### **What is a fully disclosed relationship between my broker/dealer and RBC CS?**

A fully disclosed relationship signifies the contractual agreement between your broker/dealer and RBC CS. The agreement clearly states the duties of each party. The term "fully disclosed" simply means that we tell everyone involved about the relationship. RBC CS notifies the Financial Industry Regulatory Authority ("FINRA") of the agreement, thereby disclosing the relationship. Each client is notified of the relationship via the disclosure letter. The disclosure letter also details the responsibilities the introducing broker/dealer and the clearing firm have to you, the client.

### **Is RBC CS an established firm?**

RBC CS is a division of RBC Capital Markets, LLC ("RBC CM"). RBC CM is one of the largest securities firms in the nation and is a member of the NYSE, AMEX, CHX, CBOE and PSE, and has execution capabilities on all principal exchanges. RBC CM is owned by Royal Bank of Canada, which trades under the symbol RY on the New York Stock Exchange.

### **How long has RBC CS been providing these services?**

We've been servicing broker/dealer firms since 1979. We service over 180 brokerage firms nationally and internationally. Our experienced staff is well versed in the needs of financial advisors and their clients. With RBC CS, you have a highly responsive support staff working to meet your needs promptly.

### **How will I be interacting with RBC CS?**

RBC CS operates efficiently in a capacity that is almost totally behind the scenes. You will seldom, if ever, have any direct contact with us.

### **Does RBC CS keep me informed of activity in my account?**

Although you do not directly place transactions and inquiries through RBC CS, a confirmation is generated for every securities transaction in your account. You will also receive statements of your account in a clear, easy-to-read format. For further information about your statement, please ask your financial advisor for a copy of our "Understanding Your Account Statement" packet.

### **What does RBC CS do to protect my privacy?**

We are dedicated to protecting your privacy and safeguarding the personal, business, and financial information entrusted to us. RBC companies follow comprehensive privacy policies and security practices in compliance with applicable laws.

We share client information as necessary to perform our everyday business purposes. Examples of these instances would include processing customer transactions, preparing and mailing statements and other client communications, and responding to court orders and legal and regulatory investigations.

In addition, our privacy policy states that we can share client information for other purposes, including for our marketing purposes and for joint marketing purposes with other financial companies. However, we do not share client information in these instances without the express prior consent of your broker/dealer or, in the case that you utilize a product or service offered by an affiliate of RBC, without your express consent.

To answer any questions you may have about the information we collect from you and with whom we may share that information, please visit [www.rbc.com/privacy](http://www.rbc.com/privacy).

### **What other services does RBC CS provide?**

Through RBC Capital Markets, LLC, RBC CS provides execution capabilities on the New York Stock Exchange and all other major exchanges. We also offer an Over-the-Counter Trading Department and a Fixed-Income Trading Department specializing in government, corporate and municipal bonds; certificates of deposit (CDs); and collateralized mortgage obligations (CMOs).

### **Does RBC CS provide features that benefit me directly?**

We have a variety of products. Our cash and lending services feature unlimited check writing, a Visa® Platinum Debit Card rewards card and margin lending.\* Our fee-based products enable you to pay a simple fee based on the value of your account, rather than a commission for each transaction, while affording you access to top money managers or choices from thousands of load and no-load mutual funds at net asset value. A host of retirement plans are available to fit your needs. Plus you can view account information and market news 24-hours a day at [www.investor-connect.com](http://www.investor-connect.com). No matter what products you choose, you'll receive a combined statement from RBC CS and a consolidated 1099 at the end of the year. Your financial advisor can provide you with more information about specific products and services we offer.

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\*Purchasing securities on margin may not be suitable for all investors. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and as a result, the firm can take action, such as to issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account. Before you sign a Margin Agreement, it is important that you read and fully understand the Margin Disclosure Statement, which describes additional risks involved in trading securities on margin.

RBC Correspondent Services, a division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC, may provide clearing and execution services for your Broker-Dealer. The referenced product and/or service is made available through that relationship.