What Is CRM2?

Answering your questions about regulatory change

Providing investors with greater transparency about the cost and performance of their accounts is the driving force behind new industry-wide regulations, known as the Client Relationship Model 2 (CRM2). Top of mind for investors is how CRM2 will affect them as the regulatory changes are implemented over the coming months.

What Is CRM2?

- New industry-wide regulations that improve how the financial industry reports and discloses information to investors
- Changes are now being phased in, with full implementation across the industry by mid-year 2017. It includes two new reports: (1) account costs and (2) account performance.
- Applies to all investment dealers and advisors in Canada, including:
  - Investment dealers regulated by the Investment Industry Regulatory Organization of Canada (IIROC), such as RBC Dominion Securities
  - Firms regulated by the Mutual Fund Dealers Association (MFDA), such as the respective mutual fund distributor of each of the major banks
  - Investment counselling firms regulated by provincial securities commissions in Canada

Positive Change for Our Industry

- RBC Dominion Securities strongly supports the changes under CRM2.
- CRM2 builds on our commitment of continued transparency for clients.
- Part of helping you achieve your financial goals is ensuring you are informed of the details of your account(s).

Why Is CRM2 Being Implemented?

- CRM2 is part of a global shift towards increased disclosure and transparency in the investment industry
- To provide investors more details on the fees and performance of their investment accounts
- To improve investors' ability to assess how they are progressing towards their financial goals

How Will CRM2 Affect You?

- CRM2 does not change the amount you are paying your investment firm; it only provides more detail to you about your account fees and performance.
- All investors will receive more specific details on the cost and performance of their investments via:
  - Conversations with their investment advisors
  - More details on existing account statements and confirmations
  - Two new annual reports you will receive starting in 2017 for all investment accounts:
    1. An **Annual Charges and Compensation Report**, showing a detailed list of account fees
    2. An annual **Investment Performance Report** to provide details on how the account is performing using a "money-weighted" rate of return

If you have any questions about how the changes will affect you or about the costs and performance of your account, please contact me to discuss.

RBC Wealth Management
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There's Wealth in Our Approach.™

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