

**TX SB 13 and SB 19 Bringdown Verification and Notice of June 2023 Inquiry
(as of October 20, 2023)**

RBC Capital Markets, LLC (“RBCCM”) confirms that we have a standing letter related to compliance with Texas SB 13 and 19 on file with the Texas Attorney General.

On August 24, 2022, the Texas Comptroller published a list of financial companies it determined “boycott energy companies” within the meaning of SB 13 (now codified in part at chapter 2276 of the Government Code), which included, on Annex II, three mutual funds sponsored by RBC Global Asset Management (U.S.) Inc. (“RBC GAM”), an affiliate of RBCCM. No other entities affiliated with RBCCM were included on the Texas Comptroller’s list. As the Comptroller has stated, a state agency or political subdivision is not prohibited from contracting with an entity that is affiliated with a fund that is listed on Annex II. RBC GAM also believes its funds were included on the Comptroller’s list in error and has requested that they be removed.

In June 2023, RBC GAM received a second request from the Comptroller seeking verification that RBC GAM and its affiliates do not “boycott energy companies.” The Comptroller indicated that RBC GAM received the notice in connection with the Comptroller’s responsibility to maintain and annually update its list of financial companies that boycott energy companies as set out under applicable Texas law. RBC GAM timely provided the requested verification.

On October 17, 2023, the Attorney General’s Public Finance Division issued an “All Bond Counsel” letter stating that it is reviewing whether companies that are members or affiliates of members of a “Net Zero Alliance” – a group that includes RBCCM and Royal Bank of Canada (“RBC”) – are boycotting energy companies in violation of SB 13. As previously set out in RBC GAM’s verifications to the Comptroller, RBC is a signatory to the Net-Zero Banking Alliance, and neither RBC nor any of its affiliates “boycott energy companies” as defined in SB 13.

RBCCM has no intention of withdrawing its standing letter, and affirms that the Attorney General may continue to rely on it.