

RBC Capital Markets' strength in the muni bond market



Wealth
Management

A leader in U.S. municipal finance

Headquartered in New York, RBC Capital Markets (RBCCM) is one of the largest U.S. municipal finance practices in the country, employing 355 banking and sales professionals in 28 cities across 16 states. For nearly a century, the U.S. Municipal Finance group has leveraged the size and strength of RBC to deliver infrastructure financing solutions to municipal issuers across a broad range of sectors.

Royal Bank of Canada — consistently high credit ratings¹

| Moody's | Standard & Poor's | Fitch |
|---------------------|---------------------|---------------------|
| Aa1 ² | AA ⁻² | AA ² |
| A1 ³ | A ³ | AA ⁻³ |
| Stable ⁴ | Stable ⁴ | Stable ⁴ |

Investment banking

RBCCM's banking offices provide local clients with public finance professionals with first-hand knowledge of the communities they serve. The bankers can sustain a level of active involvement with the issuer by attending local meetings and establishing a direct relationship free from geographic barriers. The growth of RBCCM's public finance practice is built upon maintaining significant banking offices in select cities across the country. These core market offices are staffed with public finance bankers with municipal

finance expertise and knowledge of their specific market's economy, demographics and public finance laws.

Trading and underwriting

RBCCM's regional underwriting and trading expertise coupled with a national focus gives us an advantage in gathering information on bonds issued in the areas we serve. Through our five regional trading desks and numerous underwriting groups, we have in-depth knowledge and access to local markets. We maintain extensive inventory positions and participate in both the primary and secondary markets, offering our clients a wide range of investment opportunities. Tradeweb, a live and executable trading platform, gives our traders and financial advisors access to more than 150 commingled retail inventories from primary and regional dealers across the country. This allows us to provide competitive offerings and the largest selection of fixed income products in the marketplace. We can provide our customers with more opportunities, helping to achieve better pricing for their trades.

Market distribution

Through RBC Wealth Management, we have a network of retail branch offices throughout the nation serving individual investors. Our underwriting and trading capabilities are broadly dispersed and client focused, allowing us to deliver a wide range of municipal products.

Research and strategies group

RBC provides quality research. The municipal credit strategists in our U.S. Fixed Income Strategies group provide in-depth access to credit analysis, market conditions and product information for investors. We publish timely commentaries on the economy, fixed income markets and investment strategies, and also offer portfolio review services to our financial advisors and their clients.

Municipal underwriting

RBCCM's expertise and ability to provide wide-ranging products and services to clients has allowed us to achieve and maintain the market-leading position as a senior manager of negotiated municipal issues, underwriting hundreds of issues annually.

We maintain two fundamental advantages: enduring client relationships, and significant capital to underwrite unsold balances in the primary market and maintain an active secondary market for client issues.

In 2023, RBC Capital Markets' U.S. Municipal Finance group ranked as the #1 lead manager on negotiated issues with 293 issues for an 11% market share. Total par amount on these issues was \$32,197,000,000.

Please see the following tables for RBCCM's lead manager rankings.

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

Lead manager league table (01/01/2023–12/31/2023)

Negotiated: True economics to book runner | Source: Bloomberg as of 1/17/2024

| Manager | Par amount (US\$ mil) | Rank | Market share (%) | # of Issues |
|----------------------------------|-----------------------|----------|------------------|--------------|
| RBC Capital Markets | 32,197.0 | 1 | 11.12% | 293 |
| BofA Securities | 31,075.6 | 2 | 10.74% | 157 |
| Jefferies | 20,946.7 | 3 | 7.24% | 90 |
| Goldman Sachs | 19,194.1 | 4 | 6.63% | 51 |
| JP Morgan | 19,065.7 | 5 | 6.59% | 120 |
| Citi | 18,137.3 | 6 | 6.27% | 88 |
| Morgan Stanley | 17,459.7 | 7 | 6.03% | 76 |
| Wells Fargo | 17,319.1 | 8 | 5.98% | 103 |
| Stifel | 16,882.3 | 9 | 5.83% | 577 |
| Raymond James & Associates | 13,427.4 | 10 | 4.64% | 310 |
| Barclays | 12,293.0 | 11 | 4.25% | 68 |
| Piper Sandler & Co | 11,292.4 | 12 | 3.90% | 254 |
| Siebert Williams Shank & Co LLC | 10,389.3 | 13 | 3.59% | 55 |
| Samuel A Ramirez & Co Inc | 9,351.8 | 14 | 3.23% | 48 |
| Loop Capital Markets LLC | 5,967.1 | 15 | 2.06% | 41 |
| Robert W Baird & Co | 3,878.2 | 16 | 1.34% | 198 |
| KeyBanc Capital Markets | 2,622.9 | 17 | 0.91% | 60 |
| DA Davidson & Co | 2,310.8 | 18 | 0.80% | 190 |
| FHN Financial | 2,278.9 | 19 | 0.79% | 31 |
| Hilltop Securities Inc | 1,946.9 | 20 | 0.67% | 56 |
| BOK Financial Corp | 1,848.0 | 21 | 0.64% | 33 |
| UBS | 1,756.0 | 22 | 0.61% | 14 |
| Ziegler Cos Inc/The | 1,556.6 | 23 | 0.54% | 25 |
| PNC Financial Services Group Inc | 1,486.3 | 24 | 0.51% | 45 |
| FMSbonds Inc | 1,367.5 | 25 | 0.47% | 145 |
| Top 25 | 276,050.6 | - | 95.4% | - |
| Industry Total | 291,034.4 | - | 100% | 3,618 |

Health care lead manager league table (01/01/2023–12/31/2023)

Negotiated: True economics to book runner | Source: Bloomberg as of 1/17/2024

| Manager | Par amount (US\$ mil) | Rank | Market Share (%) | # of Issues |
|----------------------------|-----------------------|----------|------------------|-------------|
| RBC Capital Markets | 3,087.4 | 1 | 23.4% | 16 |
| BofA Securities | 2,522.8 | 2 | 19.1% | 15 |
| JP Morgan | 2,428.8 | 3 | 18.4% | 15 |
| Morgan Stanley | 1,491.9 | 4 | 11.3% | 8 |
| Citi | 1,275.3 | 5 | 9.7% | 9 |
| Goldman Sachs | 855.8 | 6 | 6.5% | 4 |
| KeyBanc Capital Markets | 369.3 | 7 | 2.8% | 3 |
| Wells Fargo | 190.0 | 8 | 1.4% | 1 |
| Barclays | 166.4 | 9 | 1.3% | 2 |
| BOK Financial Corp | 133.4 | 10 | 1.0% | 1 |
| Top 10 | \$12,521.0 | - | 94.8% | - |
| Industry Total | \$13,207.6 | - | 100.0% | - |

Single family housing lead manager league table (01/01/2023–12/31/2023)

Negotiated: True economics to book runner | Source: Bloomberg as of 1/17/2024

| Manager | Par amount (US\$ mil) | Rank | Market Share (%) | # of Issues |
|----------------------------|-----------------------|----------|------------------|-------------|
| RBC Capital Markets | 5,715.1 | 1 | 28.00% | 62 |
| JP Morgan | 2,154.2 | 2 | 10.56% | 21 |
| Citi | 2,077.3 | 3 | 10.18% | 17 |
| BofA Securities | 2,027.1 | 4 | 9.93% | 17 |
| Barclays | 1,814.3 | 5 | 8.89% | 10 |
| Jefferies | 1,731.2 | 6 | 8.48% | 16 |
| Wells Fargo | 1,650.5 | 7 | 8.09% | 10 |
| Raymond James & Associates | 1,285.6 | 8 | 6.30% | 19 |
| Morgan Stanley | 1,069.0 | 9 | 5.24% | 12 |
| Stifel | 498.9 | 10 | 2.44% | 16 |
| Top 10 | 20,023.2 | - | 98.11% | - |
| Industry Total | 20,408.8 | - | 100.00% | 199 |

Higher education lead manager league table (01/01/2023–12/31/2023)
 Negotiated: True economics to book runner | Source: Bloomberg as of 1/17/2024

| Manager | Par amount (US\$ mil) | Rank | Market share (%) |
|---------------------------------|-----------------------|----------|------------------|
| Morgan Stanley | 2,706.1 | 1 | 14.8% |
| Barclays | 2,487.8 | 2 | 13.6% |
| RBC Capital Markets | 2,134.3 | 3 | 11.7% |
| Goldman Sachs | 1,762.2 | 4 | 9.7% |
| JP Morgan | 1,752.4 | 5 | 9.6% |
| BofA Securities | 1,508.0 | 6 | 8.3% |
| Wells Fargo | 1,041.6 | 7 | 5.7% |
| Piper Sandler & Co | 909.8 | 8 | 5.0% |
| Siebert Williams Shank & Co LLC | 888.0 | 9 | 4.9% |
| Stifel | 505.7 | 10 | 2.8% |
| Top 10 | 15,696.2 | - | 86.1% |
| Industry Total | 18,345.8 | - | 100.0% |

Bank qualified lead manager league table (01/01/2023–12/31/2023)

Negotiated: True economics to book runner | Source: Bloomberg as of 1/17/2024

| Manager | Par amount (US\$ mil) | Rank | Market share (%) | # of Issues |
|---|-----------------------|----------|------------------|-------------|
| Stifel | 611.7 | 1 | 17.79% | 119 |
| Raymond James & Associates | 429.8 | 2 | 12.50% | 68 |
| DA Davidson & Co | 350.3 | 3 | 10.19% | 105 |
| Robert W Baird & Co | 344.2 | 4 | 10.01% | 65 |
| Piper Sandler & Co | 282.8 | 5 | 8.23% | 68 |
| LJ Hart & Co | 272.8 | 6 | 7.93% | 84 |
| RBC Capital Markets | 155.6 | 7 | 4.53% | 21 |
| Northland Securities Group LLC | 126.8 | 8 | 3.69% | 38 |
| PNC Financial Services Group Inc | 95.5 | 9 | 2.78% | 13 |
| Hilltop Securities Inc | 74.5 | 10 | 2.17% | 13 |
| Bernardi Securities | 65.7 | 11 | 1.91% | 23 |
| Mesirow Financial Inc | 64.5 | 12 | 1.88% | 16 |
| Stephens Inc | 58.0 | 13 | 1.69% | 11 |
| Oppenheimer & Co | 48.2 | 14 | 1.40% | 12 |
| Frazer Lanier Co | 42.4 | 15 | 1.23% | 11 |
| First National Capital Markets Inc/Omaha NE | 38.8 | 16 | 1.13% | 26 |
| Huntington Bancshares Inc/OH | 38.2 | 17 | 1.11% | 7 |
| Janney Montgomery Scott LLC | 30.2 | 18 | 0.88% | 4 |
| KeyBanc Capital Markets | 30.0 | 19 | 0.87% | 4 |
| Ameritas | 28.9 | 20 | 0.84% | 26 |
| Samco Capital Markets | 28.4 | 21 | 0.83% | 7 |
| UMB Bank NA | 26.6 | 22 | 0.77% | 7 |
| Colliers Securities | 23.7 | 23 | 0.69% | 7 |
| JOE Jolly & Co Inc | 21.7 | 24 | 0.63% | 3 |
| Baker Group LP | 18.5 | 25 | 0.54% | 8 |
| Top 10 | 3,829.0 | - | 96.2% | - |
| Industry Total | 4,153.6 | - | 100.0% | 805 |

Highlighted issues in the National region (01/01/2023–12/31/2023)

Source: RBC Capital Markets, Bloomberg

| Issuer | Issue Description | State | Par amount (US\$ mil) | Senior Manager |
|--|--------------------------------|-------|-----------------------|---------------------|
| Sales Tax Securitization Corp | Sales & Excise Tax | IL | 1,700.0 | RBC Capital Markets |
| UPMC Obligated Group | Hospital | PA | 1,371.3 | RBC Capital Markets |
| State of Connecticut Special Tax Revenue | Non-Toll Highway/Bridge/Tunnel | CT | 1,224.0 | RBC Capital Markets |
| Main Street Natural Gas Inc | Gas Forward Contract | GA | 984.2 | RBC Capital Markets |
| New York State Dormitory Authority | Secondary Education | NY | 971.2 | RBC Capital Markets |
| City of New York NY | General Obligation | NY | 950.0 | RBC Capital Markets |
| Patriots Energy Group Financing Agency | Gas Forward Contract | SC | 889.9 | RBC Capital Markets |
| Illinois State Toll Highway Authority | Toll Highway/Bridge/Tunnel | IL | 873.7 | RBC Capital Markets |
| Main Street Natural Gas Inc | Gas Forward Contract | GA | 834.3 | RBC Capital Markets |
| Plano Independent School District | School District | TX | 631.5 | RBC Capital Markets |
| Southeast Energy Authority A Cooperative District | Gas Forward Contract | AL | 548.8 | RBC Capital Markets |
| Oklahoma Turnpike Authority | Toll Highway/Bridge/Tunnel | OK | 500.0 | RBC Capital Markets |
| Iowa Finance Authority State Revolving Fund | Water & Sewer | IA | 472.1 | RBC Capital Markets |
| California State Public Works Board | Appropriation | CA | 462.2 | RBC Capital Markets |
| Black Belt Energy Gas District | Gas Forward Contract | AL | 442.1 | RBC Capital Markets |
| Los Angeles Department of Water & Power | Public Power System | CA | 428.1 | RBC Capital Markets |
| Washington Metropolitan Area Transit Authority Dedicated Revenue | Public Transportation | DC | 392.0 | RBC Capital Markets |
| Northwest Independent School District | School District | TX | 377.5 | RBC Capital Markets |
| Ohio State University/The | Higher Education | OH | 377.5 | RBC Capital Markets |
| Permanent University Fund - University of Texas System | Higher Education | TX | 375.3 | RBC Capital Markets |
| LCRA Transmission Services Corp | Municipal Utility (Mixed) | TX | 365.0 | RBC Capital Markets |
| School District of Philadelphia/The | School District | PA | 342.7 | RBC Capital Markets |
| Sharp Healthcare Obligated Group | Hospital | CA | 342.1 | RBC Capital Markets |
| Massachusetts Educational Financing Authority | Student Loan Revenue | MA | 330.0 | RBC Capital Markets |
| H Lee Moffitt Cancer Center & Research Institute Obligated Group | Hospital | FL | 325.9 | RBC Capital Markets |

Investing in municipal bonds involves risks such as interest rate risk, credit risk and market risk, including the possible loss of principal. Clients should contact their tax advisor regarding the suitability of tax-exempt investments in their portfolio. If sold prior to maturity, municipal securities are subject to gain/losses based on the level of interest rates, market conditions and the credit quality of the issuer. Income may be subject to the alternative minimum tax (AMT) and/or state and local taxes, based on state of residence. Income from municipal bonds could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a bond issuer.

¹ RBC Capital Markets, LLC, is a wholly owned subsidiary of, and separate legal entity from, Royal Bank of Canada. Royal Bank of Canada does not guarantee any debts or obligations of RBC Capital Markets, LLC. Credit ratings are not recommendations to purchase, sell or hold a financial position in as much as they do not comment on market price or suitability for a particular investor. Ratings are subject to revision or withdrawal at any time by a rating agency.

² Ratings (as of October 31, 2023) for legacy senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018, which is excluded from the Canadian Bank Recapitalization (Bail-in) regime.

³ Ratings (as of October 31, 2023) for senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Bail-in regime.

⁴ Ratings outlook.

RBC Capital Markets is a trade name of Royal Bank of Canada and its affiliates, including RBC Capital Markets, LLC and the fixed income businesses of RBC Wealth Management in the U.S. (members NYSE/SIPC), RBC Dominion Securities Inc. in Canada (member CIPF), and Royal Bank of Canada (Europe) Ltd. The fixed income investment banking, sales, trading and underwriting activities of Royal Bank of Canada throughout the world are carried out under the name RBC Capital Markets. The municipal securities underwriting and financial advisory services of RBC Capital Markets in the United States are provided by RBC Wealth Management, a full-service broker-dealer (including retail brokerage). Balance sheet products, such as interest rate swaps and letters of credit, are provided by Royal Bank of Canada. The terms "RBC," "we" or "our" in this proposal refer to one or more of these entities as indicated by the context.