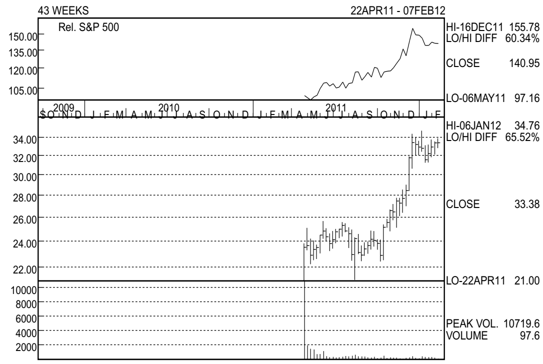


RBC Capital Markets, LLC

TJ Schultz, CFA (Analyst)
(512) 708-6385; tj.schultz@rbccm.com

David Askew (Associate)
(512) 708-6355; david.askew@rbccm.com

Elvira Scotto, CFA (Analyst)
(212) 905-5957; elvira.scotto@rbccm.com

Ankit Sharma (Associate)
212-618-3304; ankit.sharma@rbccm.com

FY Dec	2011A	2012E	2013E
DCF - FD	1.26	2.17	2.83
Prev.	1.31	2.30	3.00
EPU (Op) - FD	1.08	1.93	2.37
Prev.	1.13	1.98	2.53
EBITDA (MM)	41.4	76.5	107.0
Prev.	39.1	80.2	105.0
P/DCF	26.5x	15.4x	11.8x
P/EPU	30.9x	17.3x	14.1x
EV/EBITDA	24.6x	13.3x	9.5x

DCF - FD	Q1	Q2	Q3	Q4
2011	0.00A	0.30A	0.56A	0.41A
Prev.		0.29A		0.47E
2012	0.42E	0.56E	0.59E	0.60E
Prev.	0.49E	0.55E		0.62E
2013	0.67E	0.71E	0.74E	0.72E
EPU (Op) - FD				
2011	0.00A	0.23A	0.49A	0.37A
Prev.				0.42E
2012	0.38E	0.50E	0.52E	0.52E
Prev.	0.43E	0.48E		0.56E
2013	0.56E	0.59E	0.61E	0.60E
EBITDA (MM)				
2011	0.0A	9.6A	17.7A	14.1A
Prev.	(3.8)A			15.6E
2012	14.5E	19.5E	20.9E	21.6E
Prev.	17.1E	19.4E	21.0E	22.6E
2013	24.3E	26.3E	28.0E	28.5E

All values in USD unless otherwise noted.

COMPANY UPDATE | COMMENT

FEBRUARY 8, 2012

Tesoro Logistics LP (NYSE: TLLP)

Growth Outlook Remains Intact Despite Q4 Miss

Outperform
Average Risk

Price:	33.38	**Price Target:**	36.00
		Implied All-In Return:	12%
Shares O/S (MM):	30.5	**Market Cap (MM):**	1,018
Dividend:	1.45	**Yield:**	4.3%
Float (MM):	30.2	**Tr. 12 ROE:**	33.00%
Debt to Cap:	32%	**Avg. Daily Volume (MM):**	0.05
		Est Tax Deferral:	80%

Event: Reports 4Q11 Results Below Expectations

Investment Opinion

Reducing 2012 Estimates; 2013 Outlook Remains Intact: We reduce 2012E EBITDA/DCF on seasonality in Q1 and higher third-party trucking mix, which should abate over the course of the year. Management affirmed its 2013 EBITDA target of $100M underpinned by a portfolio of high-return organic CapEx and the Martinez drop-down transaction (we assume $65M at ~8x EBITDA). We maintain our $36 price target, supported by our outlook for top-tier distribution growth of ~21% in 2012 and ~29% in 2013 on solid coverage levels of 1.3x.

4Q11 Miss on Higher OpEx: EBITDA of $14.1M compares to our $15.6M and consensus of $15.25M (see Exhibit 1). DCF/unit of $0.41 fell short of our $0.47 and resulted in 1.1x coverage, which compares to our 1.3x and 1.6x in 3Q11. The miss resulted from High Plains maintenance, a higher mix of less profitable third-party trucking volumes, and higher-than-anticipated refined product seasonality impacting short-haul pipeline volumes. Management also guided Q1 below our expectations on continued higher trucking costs and additional refined product seasonality.

Expect Crude Volume Growth and Easing Costs in 2012: TLLP will increase proprietary fleet utilization in Q1 and Q2 and ultimately targets a mix of 80–90% proprietary when it expands to 35 Mb/d later this year. Additionally, the Connelly gathering hub is nearly completed, which will move trucked volumes onto the pipeline network and drive additional growth from a phase II expansion. We expect solid volume growth in 2H with the completion of TSO's Mandan expansion (+10 Mb/d) and the Rangeland crude terminal and rail facility (+30 Mb/d).

Further Upside Possible Given Drop-Down Inventory: We note that management increased the expected volume and EBITDA contribution from the LA and Stockton terminal expansions and we believe further upside is possible given TLLP's conservative assumptions on third-party volume growth across the terminal and crude gathering assets. Substantial opportunity for growth remains possible through acquisition of ROFO assets, which amount to ~125% of original TLLP book value (including Martinez). While we have assumed a $55M drop-down acquisition in 1Q13 (at ~8x EBITDA), we note that our forecast for ~$15M of drop-down EBITDA represents only 20–30% of the total available ROFO EBITDA of $50–80M.

Priced as of prior trading day's market close, EST (unless otherwise noted).

For Required Conflicts Disclosures, see Page 6.

4Q11 Results Overview

Tesoro Logistics Partners (TLLP) reported 4Q11 results that were below expectations primarily due to higher costs in the Crude Oil Gathering segment related to maintenance repairs on the High Plains system and higher utilization of third-party trucking capacity in the Bakken. Exhibit 1 provides an overview of 4Q11 results compared to prior quarters and RBC expectations.

Exhibit 1: 4Q11 Results vs Prior RBC Expectations

	Actual Q410A	Actual Q311A	Actual Q112E	RBC Forecast	% Variance	Notes & Comments
Crude Oil Gathering						
Pipeline Throughput (MB/d)	58.8	59.5	60.1	59.5	0.9%	• High Plains throughput slightly higher than our estimate
Avg Pipeline Revenue / Bbl ($/bbl)	$1.00	$1.35	$1.37	$1.35	1.7%	
Pipeline Revenue ($MM)	$5.4	$7.4	$7.6	$7.4	2.6%	
Trucking Volume (Mb/d)	23.1	23.9	27.0	24.6	9.8%	• Higher trucking volumes delivered primarily through the use of 3rd party haulers • Starting to see additional Bakken crude being trucked to rail facilities for delivery to TSO Anacortes refinery
Avg Trucking Revenue / Bbl ($/bbl)	NM	$2.90	$2.96	$2.90	2.1%	
Trucking Revenue ($MM)	NM	$6.4	$7.4	$6.6	12.1%	
Total Crude Gathering Revenue ($MM)	$5.4	$13.8	$14.9	$13.9	7.1%	• O&M expense significantly higher than our expectation • Incremental volumes via 3rd party carriers ($2-2.50/bbl expense on incremental volumes) • Plans to increase utilization of proprietary fleet in 2012 • Also higher maintenance cost on High Plains
O&M Expense ($MM)	($3.9)	($6.0)	($7.8)	($6.2)	25.6%	
Crude Oil Gathering Segment Margin ($MM)	**$1.5**	**$7.8**	**$7.1**	**$7.7**	**(8.0%)**	
Terminalling, Transport, Storage						
Terminalling Throughput (Mb/d)	113.9	145.0	137.4	135.6	1.3%	• TT&S segment impacted by refined product seasonality • Expects seasonal patterin in 1Q12 ahead of spring driving season
Avg Terminalling Revenue / Bbl ($/bbl)	NM	$0.78	$0.79	$0.78	2.4%	
Terminalling Revenue ($MM)	$0.9	$10.4	$10.0	$9.7	3.7%	
Short-haul Pipeline Throughput (Mb/d)	66.8	69.7	64.5	69.7	(7.5%)	• TT&S segment impacted by refined product seasonality • Expects seasonal patterin in 1Q12 ahead of spring driving season
Avg Short-haul Pipeline Revenue / Bbl ($/bbl)	NM	$0.25	$0.25	$0.25	1.6%	
Short-haul Pipeline Revenue ($MM)	NM	$1.6	$1.5	$1.6	(5.9%)	
Storage capacity Reserved (Mbbls)	878.0	878.0	878.0	878.0	-	
Rev / Shall capacity Bbl / Month ($/bbl/month)	NM	$0.51	$0.51	$0.51	(0.1%)	
Storage revenue ($MM)	NM	$1.3	$1.3	$1.3	(0.1%)	
Total TT&S Revenue ($MM)	$0.9	$13.3	$12.9	$12.6	2.1%	
O&M Expense ($MM)	($3.0)	($1.4)	($3.2)	($2.7)	21.1%	
TT&S Segment Margin ($MM)	**($2.1)**	**$12.0**	**$9.6**	**$9.9**	**(3.1%)**	
Overall Financial Results						
Adjusted EBITDA ($MM)	**NM**	**$17.7**	**$14.1**	**$15.6**	**(9.6%)**	• Distribution coverage was below our estimate and below coverage levels in 3Q11 • In addition to lower EBITDA, maintenance CapEx was higher than our estimate at $1.2 million vs our $0.8 million
Distributable Cash Flow to LP ($MM)	**NM**	**$17.0**	**$12.4**	**$14.2**	**(13.0%)**	
DCF/Unit	**NM**	**$0.56**	**$0.41**	**$0.47**	**(13.0%)**	
Distribution / Unit	**NM**	**$0.3500**	**$0.3625**	**$0.3650**	**(0.7%)**	
Total Unit Coverage	**NM**	**1.6x**	**1.1x**	**1.3x**	**(12.4%)**	
Maintenance CapEx	**NM**	**$0.3**	**$1.2**	**$0.8**	**50.0%**	
Growth CapEx	**NM**	**$2.1**	**$6.2**	**$4.0**	**56.1%**	

Source: TLLP press release and RBC Capital Markets estimates

As shown, Adjusted EBITDA of $14.1 million was below our $15.6 million and also fell short of the $15.25 million Street consensus. Although volumes in the Crude Gathering segment exceeded our expectations, segment margin of $7.1 million (revenue less operating expenses) fell short of our model. The primary driver of the negative variance was higher costs due to maintenance repairs on the High Plains system after the heavy summer rains in 2011. TLLP capitalizes costs for asset replacements and enhancements that increase efficiency or productivity and expenses minor maintenance and replacement costs that do not increase the original efficiency or productivity.

Additionally, TLLP was impacted by a higher mix of third-party trucking volumes (~65%), which are relatively higher cost compared to the proprietary trucking operations. TLLP has begun to see additional Bakken volumes trucked to rail facilities for delivery to Tesoro Corp's (TSO) Anacortes refinery, and the incremental demand was handled by contract carriers. TLLP indicated that the incremental volumes carried higher costs of $2.00–2.50 per barrel. Management expects these costs to ease as TLLP increases the mix of proprietary fleet utilization in 1Q and 2Q 2012 (especially Q2). TLLP plans to increase its trucking capacity to 35 Mb/d (24 Mb/d prior run rate) with a mix of 80–90% proprietary.

Results in the Terminalling, Transport and Storage segment declined sequentially due to the impacts of seasonality on refined product demand. Management expects normal seasonal impacts in 1Q 2012 ahead of the spring/summer driving season.

Growth Roadmap Remains Intact

Despite the 4Q miss, TLLP reiterated its outlook for ~$100 million in organic growth CapEx over the next two years (includes previously announced projects), which, combined with the Martinez Crude Terminal drop-down acquisition, should drive EBITDA to $100 million in 2013. For scale, the partnership had guided to a base annual EBITDA run-rate of $53 million at the time of the April 2011 IPO. As shown below, the organic growth portfolio has a highly attractive return profile. In addition to the Martinez Crude Terminal (~$8 million in annual EBITDA), TLLP maintains significant optionality to acquire ROFO (Right of First Offer) drop-down assets from TSO amounting to 125% of the original book value of the partnership (including Martinez). Our current estimate of ~$15 million of drop-down EBITDA in 2012/2013 represents only 20–30% of the total available ROFO EBITDA of $50–80 million.

Exhibit 2: TLLP Identified Capital Projects

	Total CapEx	Annual EBITDA	Completion Date	Implied Multiple
Crude Gathering:				
High Plains Expansion	$6.0	$5.0	2Q12	1.2x
Rangeland Interconnect	$1.5	$1.5	2Q12	1.0x
Connolly Gathering Hub[1]	$4.0		1Q12	
Various Growth Plan Projects	$58.0	$18.0	2013	3.2x
Crude Gathering Growth Projects	**$69.5**	**$24.5**		**2.8x**
TT&S:				
Ethanol Blending[1]	$4.5	$1.0	•2Q11[2] •1Q12	4.5x
Los Angeles Terminal Transmix	$3.0	$0.5	2013	6.0x
Stockton Terminal Storage	$10.0	$4.0	4Q12	2.5x
Los Angeles Terminal Permit Expansion		$2.5	1Q12	
New Terminal Expansion Projects	$18.0	$10.0	2013	1.8x
TT&S Growth Projects	**$35.0**	**$18.0**		**1.9x**
Total Growth Projects	**$105.0**	**$42.5**		**2.5x**

1. CapEx related to these projects will be reimbursed by TSO
2. Salt Lake City completed in 2Q 2011; Burley completed 1Q 2012

Source: TLLP press releases and filings; RBC Capital Markets estimates

New Estimates Still Imply Leading Distribution Growth

As shown below, TLLP guided 1Q 2012 EBITDA below our original expectation of $17.1 million on elevated third-party trucking costs and refined product seasonality in the Terminalling, Transport and Storage segment. However, management expects to increase proprietary trucking utilization during 2012 and has guided for significant volume growth on the High Plains system in the second half as expansion projects come online. On the terminal side, the partnership has received its revised permit that allows additional throughput at Los Angeles beginning immediately. As shown, we forecast top-tier distribution growth of 21% in 2012 (assuming MQD in 1Q and 2Q 2011) and 29% in 2013 with solid coverage levels of 1.3x in each year. We have assumed a $55 million asset drop-down in 1Q 2013, which has added ~$7 million to our 2013 EBITDA estimate (~8x EBITDA multiple assumed).

Exhibit 3: Revised 2012 and 2013 Financial Estimates

	1Q12			FY 2012		FY 2013	
	TLLP Guidance	RBC New	RBC Old	RBC New	RBC Old	RBC New	RBC Old
Adjusted EBITDA ($MM)	$14.5	$14.5	$17.1	$76.5	$80.2	$107.0	$105.0
Distributable Cash Flow to LP ($MM)		$12.8	$15.0	$66.1	$68.6	$86.5	$83.7
DCF/Unit		$0.42	$0.49	$2.17	$2.30	$2.83	$3.00
Distribution / Unit		$0.375	$0.380	$1.680	$1.730	$2.160	$2.220
Y/Y % Δ		11.1%	12.6%	21.1%	24.5%	28.6%	28.3%
Total Unit Coverage		1.1x	1.3x	1.3x	1.3x	1.3x	1.4x
Maintenance CapEx		$1.0	$1.0	$5.4	$4.9	$6.4	$5.0
Growth CapEx		$8.0	$20.4	$60.0	$65.5	$30.0	$26.0

Note: 1Q12 distribution growth estimates assume MQD of $0.3375/unit. 2012 distribution growth estimates assume MQD of $0.3375/unit in first two quarters of 2011.

Source: TLLP press releases and filings; RBC Capital Markets estimates

Valuation

We derive our 12-month price target of $36 for TLLP using our multi-stage distribution discount model (DDM). Our DDM is based on our distribution estimates for the four quarters starting one year out followed by a five-year growth rate of 10%, which, from the current distribution, implies a five-year CAGR of 15.9%. Our long-term distribution schedule assumes that over the subsequent 11 years growth converges to the 1% perpetual rate. We discount our distributions at a 8.5% discount rate, which incorporates our interest rate expectations and a risk premium based on TLLP-specific risks and is consistent with an Average risk qualifier. Our $36 price target implies a yield of 5.2% on our one-year-out annualized distribution of $1.86 per unit.

Price Target Impediment

Key issues that could impede our price target include acquisition risk; damage to pipeline infrastructure; commodity price risks; and competing pipeline solutions in the Bakken. TLLP is dependent on Tesoro Corp parent for substantially all of its revenue, so any inability to meet its requirements with Tesoro would negatively impact results. Other risks include prolonged declines in volumes, interest rates, regulatory risk, and relatively low trading liquidity.

Company Description

TLLP is a growth-oriented MLP formed by Tesoro to operate its gathering and processing and short-haul pipelines, trucking and terminalling logistics assets. The partnership intends to operate its assets under long-term, minimum volume contracts with Tesoro and pursue asset drop-down growth opportunities. The initial assets are strategically located near Tesoro refineries in the Bakken Shale, West Coast, Rockies, and Alaska, with potential drop-downs near existing infrastructure.

($ in MM, except per share data & ratios)	2012 Quarterly Results				2013 Quarterly Results				Annual Results		
	Q112E	Q212E	Q312E	Q412E	Q113E	Q213E	Q313E	Q413E	FY11A	FY12E	FY13E
Crude Oil Gathering	15.4	16.1	17.1	17.9	18.6	19.7	21.0	21.6	45.0	66.6	80.9
Terminalling, Transport. & Storage	12.9	18.7	19.6	19.6	22.1	23.2	24.3	24.3	36.0	70.8	94.0
Total Revenue	**$28.3**	**$34.9**	**$36.7**	**$37.5**	**$40.7**	**$43.0**	**$45.3**	**$46.0**	**$80.9**	**$137.4**	**$174.9**
Total Costs and Expenses	15.8	18.1	18.8	19.1	20.1	20.6	21.3	21.5	51.4	71.8	83.4
Operating Income	**$12.5**	**$16.7**	**$18.0**	**$18.5**	**$20.5**	**$22.4**	**$24.0**	**$24.5**	**$29.6**	**$65.6**	**$91.4**
Interest Expense	(0.5)	(0.9)	(1.4)	(1.5)	(2.0)	(2.3)	(2.3)	(2.3)	(1.6)	(4.4)	(8.9)
Net Income	**$12.0**	**$15.8**	**$16.6**	**$16.9**	**$18.6**	**$20.1**	**$21.7**	**$22.2**	**$27.9**	**$61.2**	**$82.5**
General Partner Interest	0.2	0.4	0.7	1.0	1.3	2.1	3.1	3.8	0.7	2.3	10.3
LP Interest In Net Income	**$11.7**	**$15.4**	**$15.9**	**$15.9**	**$17.2**	**$18.0**	**$18.7**	**$18.4**	**$27.3**	**$58.9**	**$72.3**
Diluted Earnings (loss) per Unit	**$0.38**	**$0.50**	**$0.52**	**$0.52**	**$0.56**	**$0.59**	**$0.61**	**$0.60**	**$1.08**	**$1.93**	**$2.37**
Average Units Outstanding	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.5
Adjusted EBITDA	**$14.5**	**$19.5**	**$20.9**	**$21.6**	**$24.3**	**$26.3**	**$28.0**	**$28.5**	**$41.4**	**$76.5**	**$107.0**

Distributable Cash Flow	Q112E	Q212E	Q312E	Q412E	Q113E	Q213E	Q313E	Q413E	FY11A	FY12E	FY13E
Adjusted EBITDA	**$14.5**	**$19.5**	**$20.9**	**$21.6**	**$24.3**	**$26.3**	**$28.0**	**$28.5**	**$41.4**	**$76.5**	**$107.0**
Cash Interest Expense	(0.4)	(0.8)	(1.2)	(1.3)	(1.6)	(1.9)	(1.9)	(1.9)	(1.2)	(3.7)	(7.4)
Maintenance CapEx	(1.0)	(1.4)	(1.5)	(1.5)	(1.5)	(1.6)	(1.7)	(1.7)	(1.8)	(5.4)	(6.4)
General Partner Interest	(0.2)	(0.2)	(0.3)	(0.6)	(0.9)	(1.2)	(1.9)	(2.8)	(0.6)	(1.3)	(6.7)
Distributable Cash Flow to LP	**$12.8**	**$17.1**	**$17.9**	**$18.2**	**$20.4**	**$21.6**	**$22.5**	**$22.1**	**$38.4**	**$66.1**	**$86.5**
Distributable CF Per Unit	**$0.42**	**$0.56**	**$0.59**	**$0.60**	**$0.67**	**$0.71**	**$0.74**	**$0.72**	**$1.26**	**$2.17**	**$2.83**
Distributions per Unit	**$0.3750**	**$0.4050**	**$0.4350**	**$0.4650**	**$0.4950**	**$0.5250**	**$0.5550**	**$0.5850**	**$0.9573**	**$1.6800**	**$2.1600**
Total Unit Coverage	**1.12x**	**1.38x**	**1.35x**	**1.29x**	**1.35x**	**1.35x**	**1.33x**	**1.24x**	**1.31x**	**1.29x**	**1.31x**

Balance Sheet	Q112E	Q212E	Q312E	Q412E	Q113E	Q213E	Q313E	Q413E	FY11A	FY12E	FY13E
Total Assets	$169.0	$247.8	$263.5	$282.2	$348.8	$353.8	$357.3	$360.2	$170.2	$282.2	$360.2
Total Partners' Capital	109.6	113.7	117.6	120.7	124.2	128.0	131.8	134.3	109.0	120.7	134.3
Net Debt	**$38.0**	**$111.9**	**$123.2**	**$139.0**	**$201.3**	**$201.8**	**$200.8**	**$201.1**	**$31.7**	**$139.0**	**$201.1**
Net Debt / TTM EBITDA	.7x	1.7x	1.8x	1.8x	2.3x	2.2x	2.0x	1.9x	.8x	1.8x	1.9x
Interest Coverage	28.2x	20.9x	14.9x	14.0x	12.3x	11.3x	12.1x	12.3x	25.7x	17.4x	12.0x

Source: RBC Capital Markets estimates & Company Reports

Required Disclosures

Conflicts Disclosures

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors, including total revenues of the member companies of RBC Capital Markets and its affiliates, a portion of which are or have been generated by investment banking activities of the member companies of RBC Capital Markets and its affiliates.

A member company of RBC Capital Markets or one of its affiliates managed or co-managed a public offering of securities for Tesoro Logistics LP in the past 12 months.

A member company of RBC Capital Markets or one of its affiliates received compensation for investment banking services from Tesoro Logistics LP in the past 12 months.

RBC Capital Markets, LLC makes a market in the securities of Tesoro Logistics LP and may act as principal with regard to sales or purchases of this security.

A member company of RBC Capital Markets or one of its affiliates received compensation for products or services other than investment banking services from Tesoro Logistics LP during the past 12 months. During this time, a member company of RBC Capital Markets or one of its affiliates provided non-securities services to Tesoro Logistics LP.

RBC Capital Markets has provided Tesoro Logistics LP with investment banking services in the past 12 months.

RBC Capital Markets has provided Tesoro Logistics LP with non-securities services in the past 12 months.

The author is employed by RBC Capital Markets, LLC, a securities broker-dealer with principal offices located in New York, USA.

Explanation of RBC Capital Markets Equity Rating System

An analyst's 'sector' is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector average.

Ratings

Top Pick (TP): Represents analyst's best idea in the sector; expected to provide significant absolute total return over 12 months with a favorable risk-reward ratio.

Outperform (O): Expected to materially outperform sector average over 12 months.

Sector Perform (SP): Returns expected to be in line with sector average over 12 months.

Underperform (U): Returns expected to be materially below sector average over 12 months.

Risk Qualifiers (any of the following criteria may be present):

Average Risk (Avg): Volatility and risk expected to be comparable to sector; average revenue and earnings predictability; no significant cash flow/financing concerns over coming 12-24 months; fairly liquid.

Above Average Risk (AA): Volatility and risk expected to be above sector; below average revenue and earnings predictability; may not be suitable for a significant class of individual equity investors; may have negative cash flow; low market cap or float.

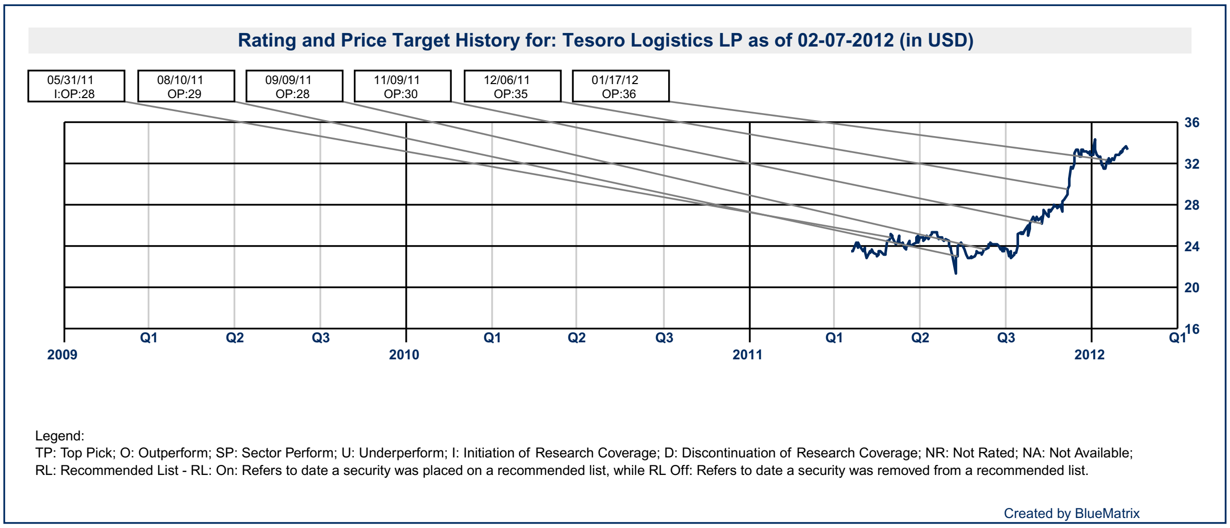
Speculative (Spec): Risk consistent with venture capital; low public float; potential balance sheet concerns; risk of being delisted.

Distribution of Ratings

For the purpose of ratings distributions, regulatory rules require member firms to assign ratings to one of three rating categories - Buy, Hold/Neutral, or Sell - regardless of a firm's own rating categories. Although RBC Capital Markets' ratings of Top Pick/Outperform, Sector Perform and Underperform most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis (as described above).

Distribution of Ratings
RBC Capital Markets, Equity Research

			Investment Banking Serv./Past 12 Mos.	
Rating	Count	Percent	Count	Percent
BUY[TP/O]	772	51.70	222	28.76
HOLD[SP]	649	43.50	144	22.19
SELL[U]	71	4.80	5	7.04



References to a Recommended List in the recommendation history chart may include one or more recommended lists or model portfolios maintained by a business unit of the Wealth Management Division of RBC Capital Markets, LLC. These Recommended Lists include a former list called the Prime Opportunity List (RL 3), a former list called the Private Client Prime Portfolio (RL 4), the Guided Portfolio: Prime Income (RL 6), the Guided Portfolio: Large Cap (RL 7), Guided Portfolio: Dividend Growth (RL 8), the Guided Portfolio: Midcap 111 (RL9), and the Guided Portfolio: ADR (RL 10). The abbreviation 'RL On' means the date a security was placed on a Recommended List. The abbreviation 'RL Off' means the date a security was removed from a Recommended List.

Conflicts Policy

RBC Capital Markets Policy for Managing Conflicts of Interest in Relation to Investment Research is available from us on request. To access our current policy, clients should refer to
https://www.rbccm.com/global/file-414164.pdf
or send a request to RBC CM Research Publishing, P.O. Box 50, 200 Bay Street, Royal Bank Plaza, 29th Floor, South Tower, Toronto, Ontario M5J 2W7. We reserve the right to amend or supplement this policy at any time.

Dissemination of Research and Short-Term Trade Ideas

RBC Capital Markets endeavors to make all reasonable efforts to provide research simultaneously to all eligible clients, having regard to local time zones in overseas jurisdictions. RBC Capital Markets' research is posted to our proprietary websites to ensure eligible clients receive coverage initiations and changes in ratings, targets and opinions in a timely manner. Additional distribution may be done by the sales personnel via email, fax or regular mail. Clients may also receive our research via third-party vendors. Please contact your investment advisor or institutional salesperson for more information regarding RBC Capital Markets' research. RBC Capital Markets also provides eligible clients with access to SPARC on its proprietary INSIGHT website. SPARC contains market color and commentary, and may also contain Short-Term Trade Ideas regarding the securities of subject companies discussed in this or other research reports. SPARC may be accessed via the following hyperlink: https://www.rbcinsight.com. A Short-Term Trade Idea reflects the research analyst's directional view regarding the price of the security of a subject company in the coming days or weeks, based on market and trading events. A Short-Term Trade Idea may differ from the price targets and/or recommendations in our published research reports reflecting the research analyst's views of the longer-term (one year) prospects of the subject company, as a result of the differing time horizons, methodologies and/or other factors. Thus, it is possible that the security of a subject company that is considered a long-term 'Sector Perform' or even an 'Underperform' might be a short-term buying opportunity as a result of temporary selling pressure in the market; conversely, the security of a subject company that is rated a long-term 'Outperform' could be considered susceptible to a short-term downward price correction. Short-Term Trade Ideas are not ratings, nor are they part of any ratings system, and RBC Capital Markets generally does not intend, nor undertakes any obligation, to maintain or update Short-Term Trade Ideas. Short-Term Trade Ideas discussed in SPARC may not be suitable for all investors and have not been tailored to individual investor circumstances and objectives, and investors should make their own independent decisions regarding any Short-Term Trade Ideas discussed therein.

Analyst Certification

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Disclaimer

RBC Capital Markets is the business name used by certain branches and subsidiaries of the Royal Bank of Canada, including RBC Dominion Securities Inc., RBC Capital Markets, LLC, RBC Europe Limited, RBC Capital Markets (Hong Kong) Limited, Royal Bank of Canada, Hong Kong Branch and Royal Bank of Canada, Sydney Branch. The information contained in this report has been compiled by RBC Capital Markets from sources believed to be reliable, but no representation or warranty, express or implied, is made by Royal Bank of Canada, RBC Capital Markets, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this report constitute RBC Capital Markets' judgement as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Nothing in this report constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about the suitability of such investments or services. This report is not an offer to sell or a solicitation of an offer to buy any securities. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. RBC Capital Markets research analyst compensation is based in part on the overall profitability of RBC Capital Markets, which includes profits attributable to investment banking revenues. Every province in Canada, state in the U.S., and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, the securities discussed in this report may not be eligible for sale in some jurisdictions. This report is not, and under no circumstances should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. To the full extent permitted by law neither RBC Capital Markets nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein. No matter contained in this document may be reproduced or copied by any means without the prior consent of RBC Capital Markets.

Additional information is available on request.

To U.S. Residents:
This publication has been approved by RBC Capital Markets, LLC (member FINRA, NYSE, SIPC), which is a U.S. registered broker-dealer and which accepts responsibility for this report and its dissemination in the United States. Any U.S. recipient of this report that is not a registered broker-dealer or a bank acting in a broker or dealer capacity and that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, should contact and place orders with RBC Capital Markets, LLC.

To Canadian Residents:
This publication has been approved by RBC Dominion Securities Inc.(member IIROC). Any Canadian recipient of this report that is not a Designated Institution in Ontario, an Accredited Investor in British Columbia or Alberta or a Sophisticated Purchaser in Quebec (or similar permitted purchaser in any other province) and that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report should contact and place orders with RBC Dominion Securities Inc., which, without in any way limiting the foregoing, accepts responsibility for this report and its dissemination in Canada.

To U.K. Residents:
This publication has been approved by RBC Europe Limited ('RBCEL') which is authorized and regulated by Financial Services Authority ('FSA'), in connection with its distribution in the United Kingdom. This material is not for general distribution in the United Kingdom to retail clients, as defined under the rules of the FSA. However, targeted distribution may be made to selected retail clients of RBC and its affiliates. RBCEL accepts responsibility for this report and its dissemination in the United Kingdom.

To Persons Receiving This Advice in Australia:
This material has been distributed in Australia by Royal Bank of Canada - Sydney Branch (ABN 86 076 940 880, AFSL No. 246521). This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider the appropriateness of this material having regard to their objectives, financial situation and needs. If this material relates to the acquisition or possible acquisition of a particular financial product, a recipient in Australia should obtain any relevant disclosure document prepared in respect of that product and consider that document before making any decision about whether to acquire the product.

To Hong Kong Residents:
This publication is distributed in Hong Kong by RBC Investment Services (Asia) Limited, RBC Investment Management (Asia) Limited and RBC Capital Markets (Hong Kong) Limited, licensed corporations under the Securities and Futures Ordinance or, by the Royal Bank of Canada, Hong Kong Branch, a registered institution under the Securities and Futures Ordinance. This material has been prepared for general circulation and does not take into account the objectives, financial situation, or needs of any recipient. Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact RBC Investment Services (Asia) Limited, RBC Investment Management (Asia) Limited, RBC Capital Markets (Hong Kong) Limited or Royal Bank of Canada, Hong Kong Branch at 17/Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong (telephone number is 2848-1388).

To Singapore Residents:
This publication is distributed in Singapore by the Royal Bank of Canada, Singapore Branch and Royal Bank of Canada (Asia) Limited, registered entities granted offshore bank and merchant bank status by the Monetary Authority of Singapore, respectively. This material has been prepared for general circulation and does not take into account the objectives, financial situation, or needs of any recipient. You are advised to seek independent advice from a financial adviser before purchasing any product. If you do not obtain independent advice, you should consider whether the product is suitable for you. Past performance is not indicative of future performance. If you have any questions related to this publication, please contact the Royal Bank of Canada, Singapore Branch or Royal Bank of Canada (Asia) Limited.

To Japanese Residents:
Unless otherwise exempted by Japanese law, this publication is distributed in Japan by or through RBC Capital Markets (Japan) Ltd., a registered type one financial instruments firm and/or Royal Bank of Canada, Tokyo Branch, a licensed foreign bank.