

# Comparing Products: How RBC® Guaranteed Investment Funds Compare

For advisor use only.

	Description	Traditional Non-Redeemable GIC <sup>1</sup>	Mutual Fund	RBC Guaranteed Investment Funds		
				Invest Series (75/75)	Series 1 (75/100)	Series 2 (75/100 + Resets)
<b>Investment Features</b>	Potential for market growth	No	Yes	Yes	Yes	Yes
	Access to your money	No	Yes	Yes	Yes	Yes
	Diversification: choice of investments	No	Yes	Yes (29 funds including specialty classes like emerging markets and global convertible bonds)	Yes (26 funds)	Some (13 funds – fixed income and balanced)
	Fees (average balanced fund MER) <sup>2</sup>	n/a	2.12%/2.34%	2.15%	2.45%	2.61%
<b>Insurance Features</b>	Maturity guarantee <sup>3</sup>	100% at end of term	None	75% at age 100	75% in 10 years	75% in 10 years
	Death benefit guarantee <sup>3</sup>	Yes	None	75%	100% <sup>4</sup>	100% <sup>4</sup>
	Resets (lock in your market gains on your guarantees)	None <sup>1</sup>	None	None	Automatic at 10 years	Automatic at 10 years + optional annual resets until age 90
	Potential creditor protection (registered)	Yes	Yes	Yes	Yes	Yes
	Potential creditor protection (non-registered)	No	No	Yes	Yes	Yes
	Estate planning benefits (bypassing probate, quick payout on death, private)	Occasionally <sup>5</sup>	Occasionally <sup>5</sup>	Yes	Yes	Yes
<b>Taxation Differences</b>	Income allocations	Interest income is 100% taxable	Distributions may be paid to unit holders or reinvested in the fund	Allocate income to policy owners		
	Capital losses	n/a	Losses are carried forward within the fund	Losses flow through to the policy owner		
	Tax reporting	Interest income is reported on a T5	Unit holder is responsible for own tracking of ACB	Adjusted cost base (ACB) is tracked by the insurer		

### RBC Guaranteed Investment Funds may be suitable for investors who:

- Want to invest in the market for growth
- Want protection against market downturns with guarantees
- Want to help protect the value of their legacy by bypassing the delays and expense of the estate probate process
- Want to keep the details of their estate discrete
- Are uninsurable (ineligible for life insurance)
- Are looking for potential creditor protection (sole proprietors, partners or professionals)

#### Invest Series (75/75) may be suitable for investors who:

- Value lower management fees but still desire a basic level of guarantees

#### Series 1 & Series 2 (75/100) may be suitable for investors who:

- Are willing to pay higher fees for the peace of mind that comes from enhanced guarantees
- Want to minimize the impact of market volatility, and value the ability to lock in market gains every year (Series 2)

### Traditional non-redeemable GICs may be suitable for investors who:

- Have no desire for market exposure
- Value the guaranteed interest rate
- Want 100% principal protection
- Are willing to forgo potential creditor protection and access to their money

### Mutual funds may be suitable for investors who:

- Want to invest in the market for growth
- Value lower management fees
- Are willing to forgo guarantees and potential creditor protection

<sup>1</sup> For non market-linked GICs.

<sup>2</sup> Segregated fund fees are higher than mutual fund fees as they include a management fee and an insurance fee component. Mutual fund MERs are the average for Canadian and international balanced mutual funds. 2.12%: overall mutual funds average, 2.34%: load mutual funds average. Source: Investor Economics Insight Annual Report 2013. RBC GIF averages exclude the Growth and Aggressive Growth GIPs. Segregated fund MERs are estimates only and may increase. Actual RBC GIF MERs will be published in the annual audited financial statements.

<sup>3</sup> For RBC GIF, withdrawals reduce guarantees proportionately. Guarantees end at age 100.

<sup>4</sup> 100% for deposits before age 80, 80% for deposits after age 80.

<sup>5</sup> For non-registered assets with joint ownership and right of survivorship only (all provinces except Quebec). Registered accounts can bypass probate when a beneficiary is named.



RBC Insurance

**Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value.**

RBC Guaranteed Investment Funds are individual variable annuity contracts and are referred to as segregated funds. RBC Life Insurance Company is the sole issuer and guarantor of the guarantee provisions contained in these contracts. The underlying mutual funds and portfolios available in these contracts are managed by RBC Global Asset Management Inc. When clients deposit money in an RBC Guaranteed Investment Funds contract, they are not buying units of the mutual fund or portfolio managed by RBC Global Asset Management Inc. and therefore do not possess any of the rights and privileges of the unitholders of such funds.