



Fee-based investing with RBC Guaranteed Investment Funds

Gaining greater clarity on the costs of investing can help you make more informed decisions. The broad line-up of fee-based segregated funds available from RBC Insurance offer some of the lowest fee options in the industry, helping you keep more money in your pocket.

Segregated Funds provide important features and benefits. And, like all things that offer value, there are costs associated with those benefits. The main cost of investing in a segregated fund is captured in the funds' Management Expense Ratio (MER).

What is a Management Expense Ratio (MER)?

An MER is the fee charged to manage the money invested in a segregated fund. It is the total of a fund's management fee, insurance fee and taxes during a given year. The MER, management fee and insurance fee may be different across different versions of the same fund.

What are fee-based segregated funds?

Fee-based segregated funds are designed for use in accounts where you pay your advisor and their firm (segregated fund dealer) for advice, access and service directly. This advisor fee is disclosed and arranged up front between you and your advisor and may be based on the assets in your account.

Fee-based accounts provide:

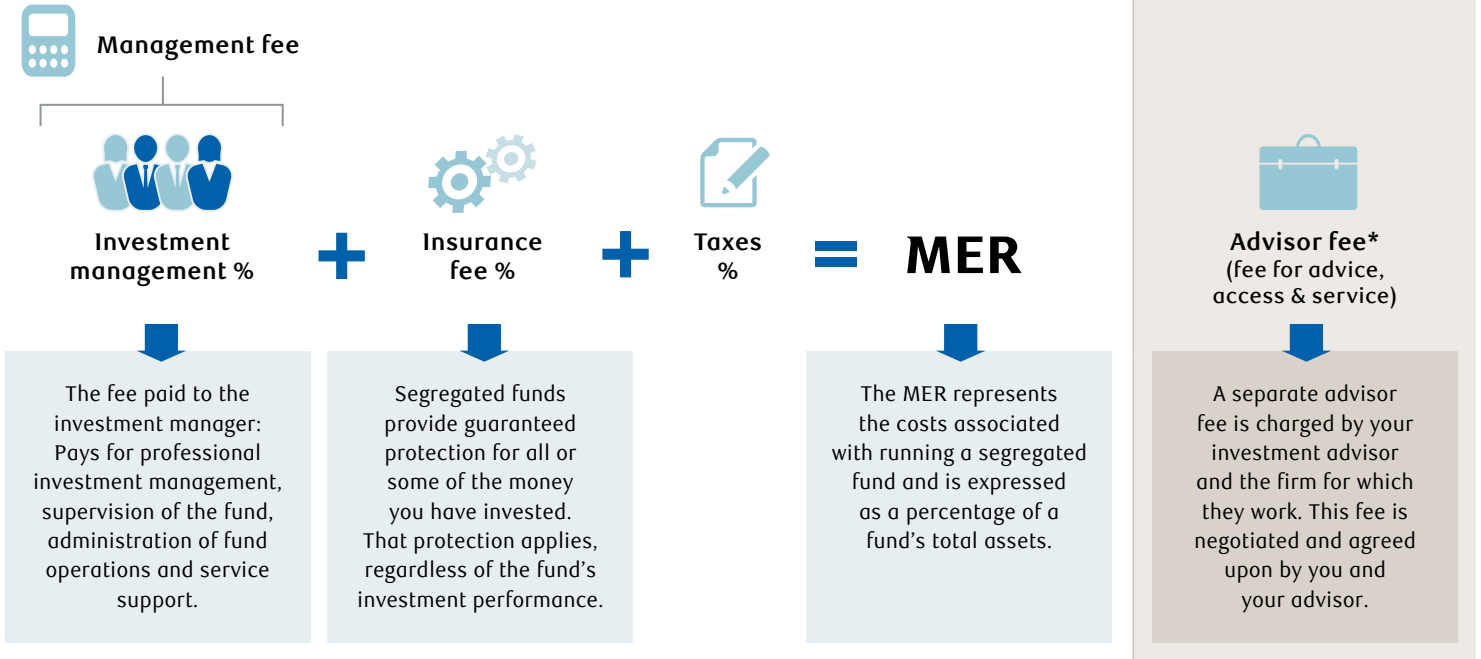
- **Greater transparency:** Since you and your advisor negotiate the advisor fee, you know exactly what you're paying for the cost of advice, access and service.
- **Personalized pricing:** Because a portion of the fees you pay are negotiated, there is flexibility to negotiate a rate that best suits your needs.



Insurance

How do fee-based segregated funds compare to embedded advice (initial sales charge or advisor chargeback) segregated funds?

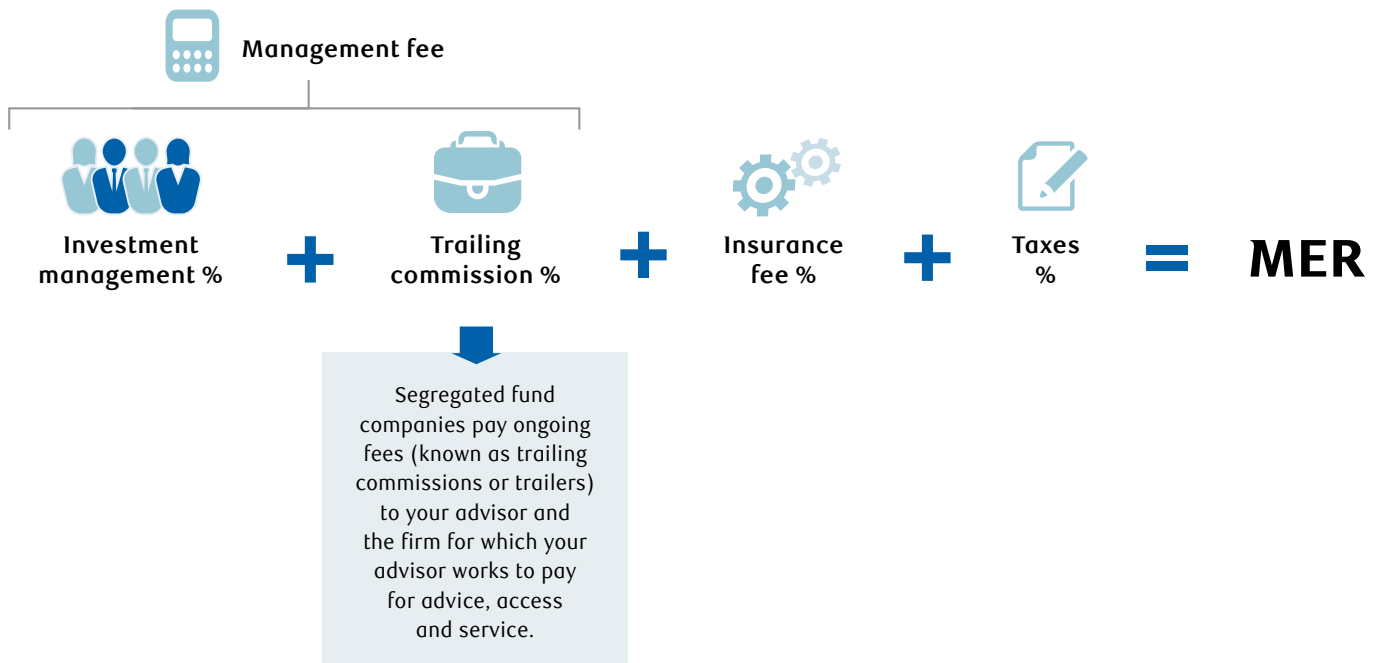
The components of a Management Expense Ratio (MER) for a fee-based segregated fund (FSC)



* Advisor fees are subject to federal and provincial taxes.

Unlike fee-based segregated funds, where the advisor fee is paid directly by the investor, embedded advice fund MERs include a trailing commission.

The components of an MER for an initial sales charge or advisor chargeback segregated fund



Difference between Fee-Based and Embedded Advice segregated funds

There are no trailing commissions on fee-based segregated funds because you are charged an advisor fee which is negotiated and agreed upon by you and your advisor. As a result, fee-based segregated funds will have lower MERs than the equivalent embedded advice segregated funds.

What is included in the fees that I pay to my advisor?

The Advisor fee and trailing commissions (trailers) are payment for advice, access and service to the investment market.

- **Advice**

The expertise your advisor provides you, including building financial plans, goal-specific planning, tax planning, investment recommendations, portfolio construction and re-balancing.

- **Access**

The infrastructure required of your advisors firm to support the distribution, sales and servicing of segregated funds.

- **Service**

Trade confirmation, account openings and closing, issuance of statements and communications and regulatory compliance activities.

Why RBC Guaranteed Investment Funds (RBC GIFs)?

Growth, protection and security for your future

RBC GIFs are a powerful investment solution that can help you to grow and protect your assets — for every stage of your life. In a world of uncertainties, they can give you the confidence you need to invest and to reach your goals.

To learn more about RBC GIFs and how they can help you reach your goals, please speak with your insurance advisor.



Insurance

This document is being provided for general information purposes only and the contents should not be relied upon as containing specific financial, investment, tax or related advice. Clients must seek their own independent advice. Any amount that is allocated to a segregated fund is invested at the risk of the contract holder 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 into an RBC Guaranteed Investment Funds contract, they are not buying units of the RBC Global Asset Management Inc. mutual fund or portfolio and therefore do not possess any of the rights and privileges of the unitholders of such funds.