



Determining Dividend Scale and its role in calculating dividends

1 Investment-related components

Active Investment Assets Management

The RBC Insurance investment team actively manages the investment assets backing the participating account.

Our investment professionals hold more than 100 years of collective asset management experience and follow the same investment philosophy as RBC Capital Markets® and RBC Global Asset Management®.

2 Other experience-related components

Judicious Risk Management

Experienced actuaries review the dividend scale annually with the same risk management philosophies of the RBC enterprise.



All participating policyholders' premiums are pooled



Participating Account

1 **Investment-related components** Investments' Annual Rate of Return (PAR yield)

2 **Other experience-related components**

Death benefits paid to beneficiaries	Policyholder behaviour: Policy loans, cash-value withdrawals, surrendering benefits	Expenses, taxes and other components
--------------------------------------	---	--------------------------------------

Smoothing



Dividend Scale Calculation



Dividends are distributed fairly and equitably to all participating policyholders