

Group Financial Services

Participant's Guide to Deferred Profit Sharing Plans





RBC Deferred Profit Sharing Plan

Your employer has established a Deferred Profit Sharing Plan (DPSP) to help you share in your company's success.

A DPSP allows your employer (the sponsor of the plan) to contribute a portion of the company's pre-tax profits to you through a tax-deferred account you establish with RBC®.

Similar to an RRSP account, you select investments based on your personal needs. Contributions made by your company then get invested based on your selections.

DPSPs are a great way to share in your company's success, while they also provide the opportunity to save for your retirement needs.

Here's how it works:

- Employees establish an account with RBC and select investments with the help of a qualified investment professional.
- Contributions are then made to the account by your employer (employees cannot make contributions to a DPSP).
- Contributions are limited to 18% of your compensation or half of the money purchase limit*, whichever is less.
- When you leave the company, all vested money can be transferred to an individual RRSP account or withdrawn in cash (subject to applicable withholding taxes).

* For details on contribution limits, please refer to your Employee Information Booklet inside the back cover of this brochure.

Your Participant's Guide

INDIVIDUAL FINANCIAL ADVICE

Benefit from an investment specialist who can address your questions, provide advice on your investment options and help ensure that you are invested in the right solutions to meet your personal needs.

Page 3

A BROAD RANGE OF INVESTMENT OPTIONS

Gain access to savings deposits, GICs and mutual funds to build a diversified portfolio that will assist you in meeting your goals.

Page 4

SIMPLICITY

You can join, select investments and manage your account easily with the help of an RBC investment specialist.

Page 4

INVESTMENT TOOLS AND EDUCATION

Keep informed: RBC provides quarterly reporting and updates on market and financial news, an online learning centre, tools for comparing and choosing investments, forecasting your retirement needs and more.

Page 5

WHAT IS A DPSP?

Learn what a DPSP is and what its requirements are.

Page 7

HOW TO START YOUR DPSP ACCOUNT

Review frequently asked questions to help you enrol, change your contributions, find information and more.

Page 8

ADDITIONAL MATERIALS

Access additional materials including a guide to your plan features and investment options.

Inside back cover

How to Start Your Plan

Starting your DPSP is as easy as picking up the phone or visiting your local branch. Once you have contacted us, an RBC investment specialist will walk you through the process of establishing your account and selecting your investments.

To start your plan:

- Call 1-800 ROYAL® 1-1 (1-800-769-2511), or
- Visit your local RBC branch.

To find your nearest RBC branch:

- Call 1-800 ROYAL 1-1 (1-800-769-2511) and choose the option "find a branch."
- Go online to RBC.com, click on "Personal Banking" and the Quicklink "Branch and ATM Locator."

Make sure you have:

- Two pieces of personal identification (passport, driver's licence, etc.).
- Your employee and social insurance numbers.
- Your group savings plan number or company name.
- An account number from the financial institution you normally deal with.

Ensuring the Plan Works for You

MEMBER RESPONSIBILITIES

- Educate and inform yourself about your investment options.
- Make investment decisions within the plan.
- Review and evaluate your investments periodically.
- Consider changes or new investments, if appropriate.





INDIVIDUAL FINANCIAL ADVICE

With literally thousands of investment options in today's marketplace, choosing the right investments can be challenging.

Investors look to GICs, equities, bonds and other asset classes in Canadian markets or abroad when selecting the right investments. However, each asset class or market can perform differently.

Financial markets generally grow in value over the long term, but to manage short-term market risk and volatility, investors can diversify their assets across different types of investments and markets.

So how much should you invest in each asset class? And where, geographically?

Every investor answers these questions differently depending on their individual circumstances.

That is why working with a knowledgeable, objective investment specialist can help you determine what's best for your situation.

When establishing your DPSP, our investment specialist will walk you through your options and help determine what is right for you.

And if your circumstances change, our investment specialist can help you review your portfolio to ensure it still meets your ongoing needs.

Every Investor Is Unique

Before we help you select your investments, we need to understand your investment profile — technically called the “Know Your Client” (or KYC) rule by regulators.

Investment specialists who offer financial advice must follow the KYC rule. The rule involves asking you questions about your assets, investments, goals and tolerance for risk.

The purpose of this rule is to make sure you're invested in products that match your individual circumstances.

A BROAD RANGE OF INVESTMENT OPTIONS

As an RBC group savings plan member, you have access to a wide range of investment options that can help you build a well-diversified portfolio.

Building the right portfolio is an important step in meeting your long-term goals.

With your group savings plan, you have access to the following investments through RBC that can help you meet your savings objectives:

- Savings Deposits
- Guaranteed Investment Certificates (GICs)
- Over 50 RBC Funds to choose from

Details on each option can be found in the Your Investment Options brochure located inside the back cover of this brochure.

SIMPLICITY

By visiting an RBC branch or by calling 1-800 ROYAL 1-1 (1-800-769-2511) any time, you can:

- Benefit from advice provided by investment specialists
- Get answers to your questions
- Open your account
- Review your investments
- Change your investments as your needs change
- Make transfers or withdrawals, and more



INVESTMENT TOOLS AND EDUCATION

RBC strives to help keep you informed about your plan and your financial future.

Along with our advice, we offer the following tools, education and information at no cost:

RBC TOOLS AND RESOURCES	WHAT THEY DO
ACCOUNT STATEMENTS	Your investment summary, including the value of your account and transaction history.
INVESTMENT UPDATES	Quarterly market and financial news, investment insight and investor education.
REGULATORY MATERIALS	Introductory fund prospectus and annual Management Report of Fund Performance.
ELECTRONIC INVESTMENT QUESTIONNAIRE	An RBC investment specialist walks you through a comprehensive questionnaire to determine an asset allocation that suits you.
FUND PERFORMANCE COMPARISON TOOL	Compares mutual funds by performance and volatility against a standard benchmark.
MONTHLY PURCHASE PLAN CALCULATOR	Calculates the future value of potential monthly investment contributions.
NET WORTH WORKSHEET	Lists assets, such as investments, a house or other valuables and liabilities, like your mortgage or other debts.
MINIMUM ANNUAL INCOME CALCULATOR	Estimates how much your retirement savings will pay you each year of your retirement.
ANNUAL RETIREMENT INCOME WORKSHEET	An easy-to-use tool for tabulating your projected monthly income when you retire.
ANNUAL RETIREMENT EXPENSE WORKSHEET	An easy-to-use tool for tabulating your projected monthly costs when you retire.
RETIREMENT INCOME PLANNER	Helps determine whether you have an income surplus or an income gap at retirement.
OTHER TOOLS AVAILABLE	WHAT THEY DO
RSP-MATIC® CALCULATOR	Helps calculate how your investments can add up over time.
RRSP FUTURE VALUE CALCULATOR AND RRSP COMPOUND INTEREST CALCULATOR	Projects the value of investments based on historical assumptions for market growth.
RRSP PERSONAL SAVINGS CALCULATOR	Projects annual savings based on your salary and savings assumptions.

HOW THEY HELP

A simple way to keep track of your group savings plan.

Keep track of market trends and consider new strategies as your account grows.

Outlines mutual fund information and provides the performance of your mutual fund investments against the fund's peers and a standard benchmark.

Diversify your investments across various assets classes, such as equities and bonds, to suit your individual risk tolerance and goals.

Evaluate funds by reviewing performance and track record.

Budget your contributions according to your future goals.

An important accounting of your finances to begin an overall financial plan.

Helps you understand how much income you may have available when you retire.

Calculate the combined after-tax retirement income for you and your spouse in this single, convenient statement.

Estimate your retirement expenses while taking inflation into account.

Use in combination with retirement worksheets to forecast retirement needs.

HOW THEY HELP

Set up monthly, bi-weekly or weekly contributions that match your investment threshold.

See how much today's savings may be worth five, 10 or more years from now.

Find out how easy it is to build your assets by making a regular commitment to saving.

QUICK ACCESS

Delivered to you on a quarterly basis.

Delivered to you on a quarterly basis.

Delivered upon initial investment, as requested, and offered annually.

Arrange an appointment at a local RBC branch or call our toll-free telephone number — an investment specialist will walk you through the program at no cost.



Visit us online at
www.rbcgfs.com
 and use our quick links.

What Is a Deferred Profit Sharing Plan?



Benefits of a DPSP

- Receive additional compensation tax-deferred
- Enjoy tax-sheltered growth on investments
- Benefit from the flexibility to transfer vested contributions when you retire or leave the plan
- Access Home Buyer's or Lifelong Learning Plans with vested contributions

A Deferred Profit Sharing Plan, or DPSP, is a group savings plan that allows businesses like yours (the sponsor of the plan) to share profits with their employees (the members of the plan). DPSPs are registered with the Canadian Revenue Agency and provide tax benefits for members participating in the plan.

Contributions made to your account are not subject to federal taxes until they are withdrawn from the plan. Further, investments grow within the plan tax-free (much like an RSP).

HOW ARE CONTRIBUTIONS MADE?

Only your company can make contributions to a DPSP. Members are not allowed to contribute or transfer existing investments to their DPSP account unless they are coming from a separate DPSP.

Your company contributes part of its profits to your account up to an annual maximum amount*. Contributions may not be made in unprofitable years.

Although contributions are not taxed, they do affect your registered plan contribution room through a pension adjustment (PA). As a result, contributions made to your DPSP will reduce the amount of money you can contribute to an RRSP.

WHEN CAN I ACCESS MY MONEY?

Your DPSP has been established to help you save for your future needs. For this reason, you may not withdraw funds from the plan while employed by the company. However, your employer may waive the restriction of withdrawals in certain circumstances.

* Details on contribution limits can be found in your Employee Information Booklet located at the back of this brochure.

How to Start Your DPSP Account

Our investment specialists are available 24 hours a day, seven days a week to assist you with your plan. Simply call 1-800 ROYAL 1-1 (1-800-769-2511) for assistance with any questions you might have or advice on your investments.

1. ENROLMENT

How do I enrol?

If you are eligible for your company's DPSP, you have two options:

CALL 1-800 ROYAL 1-1 (1-800-769-2511)

- Select the option that allows you to create a new account.
- Let the RBC representative know that you are setting up a group savings account.
- The RBC representative will open your account, review your requirements, provide advice on your investment options and complete the paperwork with you over the phone, then forward it to you for your signature.
- Sign the forms and mail them back in the postage-paid envelope.
- Please remember to forward the employer/payroll copy of your application to your payroll department and keep a copy for your records.

VISIT YOUR NEAREST RBC BRANCH

- Tell the branch staff that you are setting up a group savings account.
- An RBC representative will review your requirements, provide advice on your investment options and assist you in filling out the necessary forms.
- Please remember to forward the employer/payroll copy of your application to your payroll department and keep a copy for your records.

What Do I Need to Enrol?

- Two pieces of personal identification (passport, driver's licence, etc.)
- Your employee and social insurance numbers
- Your group plan number (if you know it) or your company name
- An account number from the financial institution you normally deal with



What Happens if I Do Not Enrol?

When you establish a DPSP account with RBC, you choose investments with the help of a qualified investment professional. Through this process, investments are selected to suit your specific individual needs. In the event money is contributed on your behalf by your employer prior to establishing an account or selecting investments, the contribution will be returned to your employer. Funds returned to your employer are not invested and do not earn a return. Once your account is established and you have selected your investments, money can then be deposited by your employer.



2. CONTRIBUTIONS*

- Individuals are not allowed to contribute directly to a DPSP.
- Once your account is set up, contributions are made to your account by your company.
- Contributions to a DPSP are limited to 18% of employee compensation or half of the money purchase limit, whichever is less.
- There are no taxes payable until the money is withdrawn from your plan; however, you will receive a Pension Adjustment (PA), which will reduce your RRSP contribution limit for the following year.

* For more details on contributions including contribution maximums, please refer to your DPSP Employee Information Booklet inside the back cover of this brochure.

3. ADMINISTRATIVE CHANGES

What if I move or change my name?

Often, account holders need to change non-financial information, such as:

- Mailing or forwarding address
- Legal name

Please call RBC Royal Bank® at 1-800 ROYAL1-1 (1-800-769-2511) or visit your local branch to change this information. Note that you may need evidence, such as a marriage certificate or divorce decree, to complete such a change.

4. FINANCIAL CHANGES

What if I want to change the investments I'm making?

If you want to add or remove investments, or allocate different amounts to the options you have chosen, you'll need to speak to an RBC representative to do so. Our investment specialists are available to review your options and provide advice in relation to your own personal requirements. Please call RBC Royal Bank or visit your local branch to change this information.

How to Obtain Additional Information

Contact us any time at our toll-free number at

1-800 ROYAL1-1 (1-800-769-2511)

We are available 24 hours a day, seven days a week. Our investment specialists are there to:

- Provide investment advice
- Buy, sell or switch RBC Funds or other investments*
- Outline information on your DPSP account
- Review account balances or inquiries
- Supply daily unit prices and rates of return
- Review fund objectives and top 10 holdings
- Highlight fund manager commentaries
- Outline other information you may require

* Mutual fund transactions received after 4:00 p.m. Eastern Standard Time (EST) will be processed on the next business day.

Additional Materials

SERVICE DELIVERY OPTIONS

- Provides you with details on what service delivery options are available

INVESTMENT OPTIONS

- Outlines what is available through the RBC Royal Bank service delivery option

ACCOUNT AGREEMENT

- Explains how your account works

DECLARATION OF TRUST

- Outlines information on your RSP account

Your Next Step

For more information on your group savings plan, please call us anytime

at 1-800 ROYAL 1-1 (1-800-769-2511)

or visit us at:

www.rbcgfs.com



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