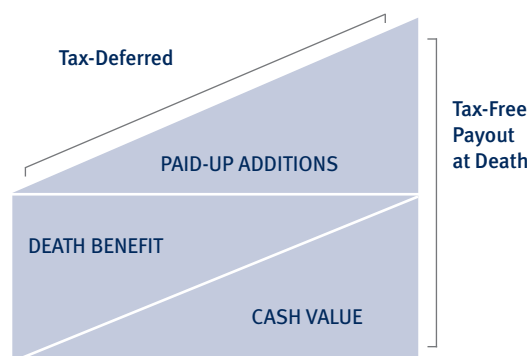


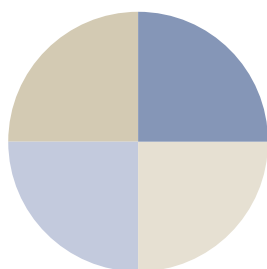
Whole Life vs. Universal Life

PASSIVE APPROACH



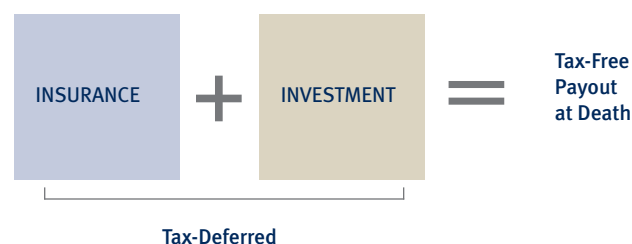
- participating insurance coverage (PAR)
- cost of coverage is not disclosed; death benefit can increase through credit of dividends
- paid-up additions is the most popular dividend option for tax-deferred accumulation
- annual costs are not disclosed but embedded in the dividend
- guaranteed minimums – cash value and death benefit (contractual)
- no transparency

Allocation of "Par" Fund



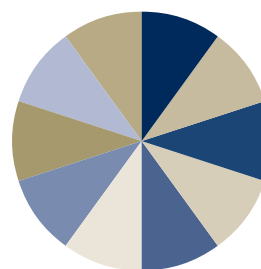
■ Equities ■ Real Estate ■ Mortgages ■ Fixed Income

ACTIVE APPROACH



- non-participating insurance coverage
- yearly renewable or level cost of insurance
- increasing, level, or minimized death benefit
- annual costs are fully disclosed and include:
 - MER that is between 1% and 4%
 - provincial premium tax that varies between 2% and 4% depending on province
- flexible product — consumer can determine both insurance and investment components
- relatively transparent

Possible "UL" Investment Options



■ Canadian Equity ■ Foreign Bond ■ Asian Equity
 ■ European Equity ■ Balanced Portfolios ■ American Bond
 ■ Canadian Bond ■ Asset Allocation Portfolios ■ American Equity
 ■ GICs

There are several differences in the mechanics of these two products, but the end result is the same:

Tax-deferred accumulation of wealth and a tax-free benefit payable to your heirs.

UNIVERSAL LIFE (UL)

- UL combines basic insurance coverage with a tax-sheltered investment component that is managed by the policyholder to achieve long-term estate growth.
- UL focuses on investment capabilities within the product and the opportunities they bring to the policyholder.

UL is designed for individuals who:

- are comfortable managing their own investments
- understand the inherent risks of investing in the markets
- require flexibility to meet changing needs
- have a need to see how their product operates and grows

WHOLE LIFE (WL)

- WL generates its long-term growth by crediting policy dividends, which are largely created by the performance of the PAR fund, a diversified investment portfolio that is managed by the insurer's professional money managers.
- It focuses on slow, steady growth to create as large an estate benefit as possible.
- Investments within the PAR fund are regulated by OSFI (Office of Superintendent of Financial Institutions).

WL is designed for individuals who:

- are more risk averse
- don't necessarily require control of their investments
- are more comfortable with guaranteed products
- have predictable long-term needs
- have a stable cash flow
- prefer stable, balanced returns

Note: The chart on the reverse only shows the Paid-Up Additions (PUA) dividend option. PUAs are additional amounts of tax-exempt coverage that have their own cash values and which can earn dividends themselves. They are the dividend option most likely to create a significant accumulated benefit.

SUMMARY

Selecting the insurance solution that is right for your clients will depend on their objectives and investment styles:

- WL offers minimal contractual guarantees with little flexibility and no decision-making on the part of the individual.
- UL is a highly flexible product with the freedom to choose the various product features.



Insurance products are offered through RBC DS Financial Services Inc., a subsidiary of RBC Dominion Securities Inc. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC DS Financial Services Inc. In Quebec, Investment Advisors are acting as Financial Security Advisors of RBC DS Financial Services Inc. RBC DS Financial Services Inc. is licensed as a financial services firm in the province of Quebec. RBC Dominion Securities Inc.* and Royal Bank of Canada are separate corporate entities which are affiliated. *Member CIPF. ® Registered trademark of Royal Bank of Canada. Used under licence. RBC Dominion Securities is a trademark of Royal Bank of Canada. Used under licence. © Copyright 2005. All rights reserved.