



THE PROGRESSION OF WEALTH MANAGEMENT

*Professional Wealth Management Since 1901*





# Welcome to A+, the next level of wealth management from RBC Dominion Securities

Gain greater convenience, customization and choice with **A+**: the latest advance in wealth management delivered through our innovative Unified Managed Account (UMA) technology.

With **A+**, you get convenient access to the most current thinking of RBC's senior portfolio strategists and carefully evaluated investment ideas from elite money managers worldwide within a highly customized, tax-efficient portfolio managed by RBC Dominion Securities.

Specifically designed for your serious money, **A+** replaces the emotions and guesswork of investing with a strictly rational and decisive approach.

With most investment programs, you are fit to the program. With **A+**, the program is fit to you. **A+** is a comprehensive, integrated and lifelong program that can evolve with you — from building your wealth for the future to enjoying your wealth during retirement to creating a lasting legacy for your family. Whether you're investing for yourself, your family, your foundation or your business, an **A+** Portfolio can be tailored to your needs.

#### **YOU WILL BENEFIT FROM A+ IF YOU:**

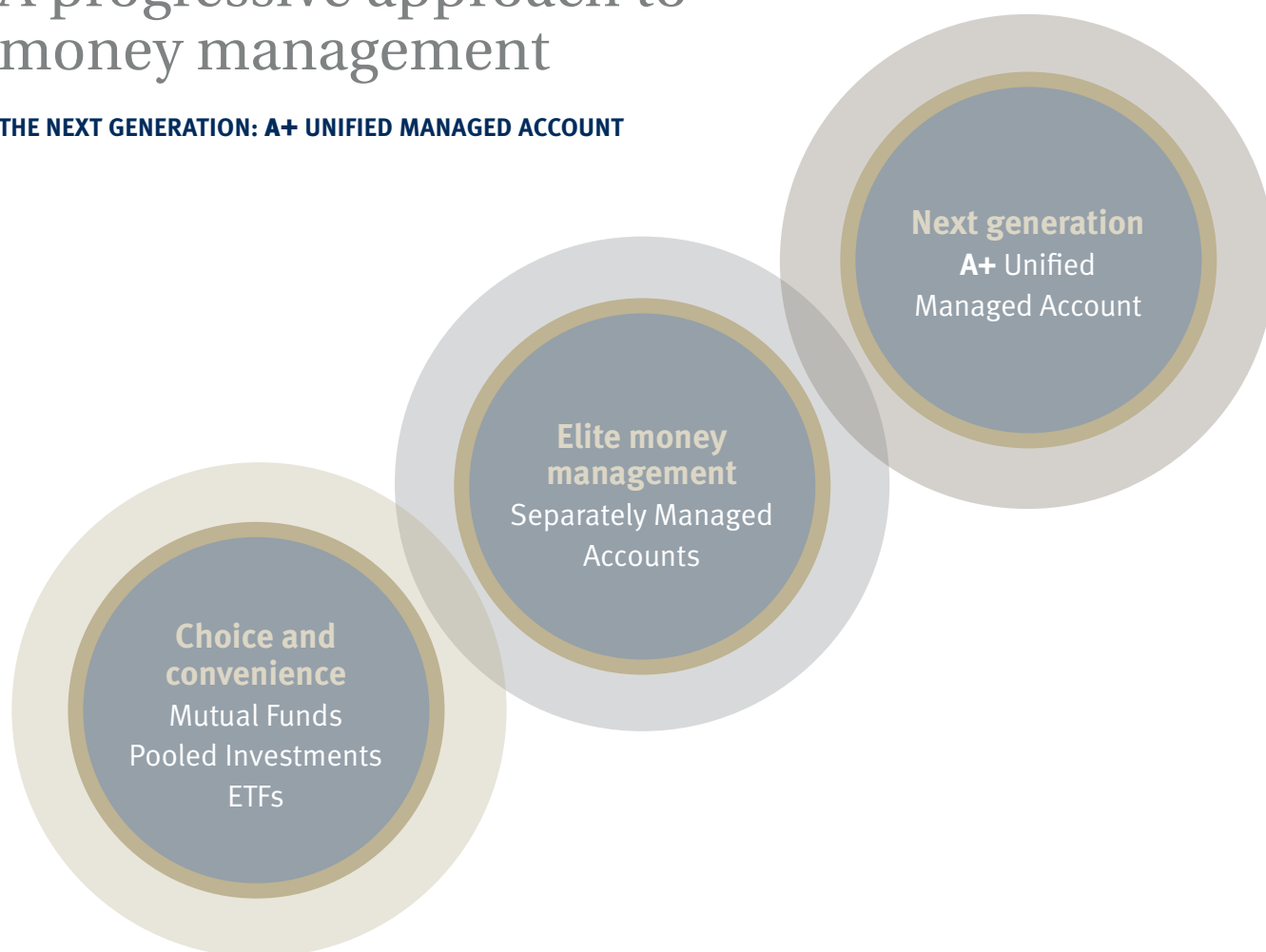
- Have reached the stage in life where you require serious investment management for your serious money.
- Lack the time to manage your own investments due to your family, business or career obligations.
- Prefer the convenience of delegating day-to-day investment decisions to exceptionally qualified professionals.
- Want to remove all the emotions and guesswork from investing.
- Face multi-faceted financial concerns, from reducing your high tax burden to judiciously optimizing your investment capital to protecting your family's wealth for future generations.
- Wish to simplify your complex financial affairs with an integrated wealth management solution and consolidated account reporting.

# The A+ advantage

- Select from an extensive universe of carefully screened money managers, mutual funds and Exchange-Traded Funds (ETFs) – and bring them all together within a single account.
- Benefit from third-party due diligence provided by the Strategic Investment Research Group at Prudential Investments LLC, a wholly owned subsidiary of Prudential Financial, our independent A+ partner.
- Gain an integrated view of your overall financial affairs through A+ UMA consolidated account reporting.
- Keep your portfolio aligned with your life goals on an ongoing basis with more precise diversification and automatic rebalancing to reflect your evolving needs.
- Focus your attention on achieving your overall wealth management goals, rather than the day-to-day details of buying and selling investments.

## A progressive approach to money management

### THE NEXT GENERATION: A+ UNIFIED MANAGED ACCOUNT



## NEW POSSIBILITIES

**A+** brings you the latest innovation in wealth management: the Unified Managed Account (UMA).

Previously, sophisticated investors utilized Separately Managed Accounts (SMAs) to access enhanced professional money management, portfolio customization and tax efficiency. The **A+** UMA takes these advantages even further, bringing together the most current thinking of RBC's senior portfolio strategists with carefully screened money managers, top-ranked mutual funds and recommended Exchange-Traded Funds (ETFs).

With our next-generation UMA technology, we can combine these different investment vehicles and provide fully consolidated reporting across all asset classes, rather than reporting only by individual asset type. It also enables us to customize your **A+** Portfolio with much greater precision and maintain the optimal level of diversification specific to your goals at each stage of life, in close consultation with your Investment Advisor.

## MAKING THE CUT

In conjunction with the Strategic Investment Research Group at Prudential Investments LLC, we identify a select group of high-quality money managers, drawing from a pool of 4,000+ investment management firms worldwide. These managers are then invited to provide their recommended portfolios, which form the basis of our **A+** Manager Models. Thoroughly evaluated, carefully selected and closely monitored on an ongoing basis, these models are intended to represent a consistently elite group.

## FREEDOM, WITH CONFIDENCE

**A+** is ultimately about freedom – your freedom. It is a discretionary program, meaning we make day-to-day investment decisions on your behalf. For your peace of mind, we only act within certain parameters that you establish in advance with the assistance of your

Investment Advisor. We also receive key inputs from the RBC Investment Strategy Committee on high-level asset allocation and Prudential Investments' Strategic Investment Research Group. This process frees your time to focus on your other priorities, confident that your investments are being managed the way you want.

## SUBTRACTING EMOTIONS, ADDING REASON

Many of the most common mistakes that individual investors make can be traced back to one factor: emotions. When the markets go up, investors tend to become overconfident and take risks they normally wouldn't. When they go down, they get nervous or even panic, and make hasty decisions they later come to regret.

### The real cost of emotional investing

With **A+** Portfolios, you can avoid the guesswork and emotions that plague the common investor. Instead, you benefit from a professionally managed, highly disciplined process that employs purely rational criteria for all investment decisions made on your behalf. The **A+** process is designed to provide consistent, long-term value, while reducing risk through the conscientious application of progressive diversification techniques. It also provides rigorous internal and independent third-party oversight to ensure your **A+** Portfolio stays on track.

#### Average annual returns 1989-2008

Individual investors tend to underperform the markets, largely because they make frequent changes in response to market fluctuations.



Source: Quantitative Analysis of Investor Behavior (Dalbar Inc., 2009). Returns include reinvestment of dividends, but do not assume any transaction costs, taxes, management fees or other expenses.

# The A+ framework for success

With A+ Portfolios, we take emotions out of the equation completely — replacing them with a rational framework for investment decision-making. This framework synthesizes the high-level strategic asset allocation provided by our RBC Investment Strategy Committee with a rigorous selection process for individual manager models and other investment vehicles deemed appropriate for A+ Portfolios.

## THE A+ PORTFOLIOS FRAMEWORK IS COMPRISED OF TWO KEY COMPONENTS:

1. Aligning your portfolio's overall asset allocation with the most current thinking of our RBC Investment Strategy Committee.
2. Populating your portfolio with carefully chosen investments to achieve your individual financial goals.

## OPTIMIZING YOUR PORTFOLIO'S STRATEGIC ASSET ALLOCATION

Your portfolio's returns can be largely attributed to how it is allocated between the different asset classes, such as stocks, bonds and cash. Your asset allocation also determines how much the value of your portfolio will likely fluctuate. Historically, portfolios weighted more towards equities provide greater long-term returns, but tend to fluctuate more in value. Conversely, those portfolios weighted more with bonds and cash fluctuate less in value, while providing more modest returns. Your ideal asset allocation is based on factors such as your return objectives and comfort level with portfolio fluctuations. It's an evolving mix, requiring ongoing refinement to align with your changing personal situation and financial needs.

## OPTIMIZING YOUR PORTFOLIO'S TACTICAL FULFILMENT

Once we have established your A+ Portfolio's overall strategic asset allocation, the next step is to fulfil your strategy with the right tactical instruments – including elite-manager portfolio models, top-ranked mutual funds, select investment pools and targeted ETFs.

## A DISCIPLINED APPROACH



## FROM TOP TO BOTTOM

Investment  
Committee

Asset allocation

Portfolio  
Integration and  
Rebalancing

**A+**  
Portfolio

Investment  
Selection &  
Synthesis

A+  
Investment  
Shortlist

Investment  
Evaluation  
and  
Monitoring

A+  
Mandate  
Creation

### RBC Investment Strategy Committee

To maintain the optimal asset allocation for your **A+** Portfolio, we align it with the recommendations of our RBC Investment Strategy Committee, which is comprised of senior representatives from all parts of RBC, including chief investment officers, portfolio strategists, economists and research analysts.

### Strategic asset allocation

Based on its outlook for the global markets and economy, the committee determines optimal portfolio allocations between the three major asset classes, sectors of the economy and geographic regions based on different investor profiles — including yours.

### Portfolio integration and rebalancing

Using our next-generation UMA technology, we are able to automatically apply the Strategy Committee's findings to your **A+** Portfolio on a quarterly basis to maintain your optimal asset allocation.

### A+ mandate creation

First, we design **A+** manager mandates to meet a broad range of investor objectives — for example, long-term wealth creation, income generation and capital preservation.

### Investment evaluation and monitoring

Prudential Investments LLC, a global leader in investment manager research, conducts ongoing independent research on over 4,000 quality managers worldwide, narrowing the list down to just 150 exceptional managers that we consider for inclusion in the **A+** program. This list of 150 potential candidates is continually refreshed so that it represents, in our opinion, at all times, the very best worldwide.

### A+ investment shortlist

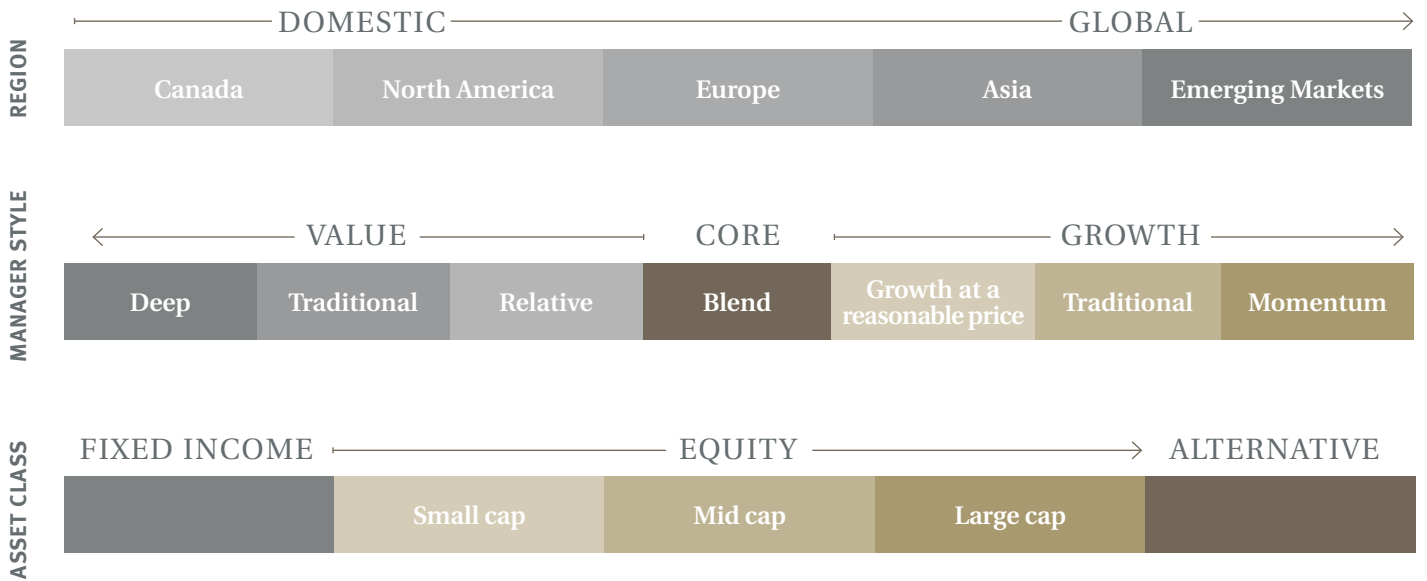
Next, we select the money managers from this shortlist who possess the right blend of experience and expertise, who we invite to provide model portfolios for specific **A+** mandates. The **A+** team continually monitors these managers and their models, and in the event that one no longer meets our strict criteria, identifies a suitable replacement.

### Investment selection and synthesis

Once the appropriate models have been selected for your individual **A+** Portfolio, we apply our UMA technology to align them with your optimal asset allocation. Our UMA technology also eliminates unnecessary duplication of specific securities between otherwise complementary manager models, screens out specific companies you may have restricted and harvests capital gains/losses according to your unique tax situation.

In addition, we identify which funds, pools or ETFs may help round out your overall **A+** Portfolio, whether it's to seize an interesting opportunity, or perhaps to fill a need for a certain investment type to diversify and reduce risk.

# A+ mandates





# Additional A+ advantages

## **ALIGNMENT WITH YOUR INVESTMENT POLICY STATEMENT (IPS)**

Your A+ Portfolio is established and rebalanced on an ongoing basis to align with your IPS. Your IPS should be updated in consultation with your Investment Advisor whenever there is a change in your personal financial situation.

## **TAX BENEFITS**

Your A+ Portfolio Manager can tailor your A+ Portfolio to accommodate your individual tax situation, for example, by harvesting capital losses that can offset taxable capital gains and reduce your taxes. In addition, we can hold securities with a low book cost in your A+ account until you are ready to sell, thereby deferring potential capital gains taxes.

## **PORTFOLIO CUSTOMIZATION**

Your A+ Portfolio Manager can apply personalized screens to your A+ Portfolio to restrict certain companies or sectors of the economy, such as tobacco, military or alcohol. At the same time, due to our advanced UMA technology, your A+ Portfolio Manager can efficiently identify suitable replacements to maintain your optimal asset allocation.

## **CONSOLIDATED REPORTING**

You will receive an in-depth A+ Portfolio Monitor every quarter, which details your integrated asset mix among multiple asset types, overall portfolio performance, as well as transactions made during the quarter.

## **WEALTH MANAGEMENT SERVICES**

In addition to core investment management services, A+ gives you access to complementary financial and estate planning services – all brought together for you in a unified wealth management plan by your Investment Advisor.

Experience the next generation of wealth management with A+. For more information, please contact your Investment Advisor.

**AT RBC DOMINION SECURITIES**, we have provided professional advice on high-quality investment opportunities since 1901. Today, we are Canada's leading provider of wealth management services and a fully owned subsidiary of Royal Bank of Canada (RBC), which was recently ranked one of the World's Top 10 Safest Banks.<sup>1</sup> Through our personal Investment Advisors, we provide over 400,000 clients with investment management, financial planning, tax-minimization strategies, wealth protection, estate planning services and more.

**PRUDENTIAL INVESTMENTS**, our preferred partner for the A+ program, is a wholly owned subsidiary of Prudential Financial Inc. The firm delivers substantial value to our A+ program through its leading-edge asset management technology and Strategic Investment Research Group. Prudential Financial Inc. is a global financial services leader, providing 50 million clients worldwide with life insurance, real estate and asset management expertise. Prudential's Rock symbol is an icon of strength, stability, expertise and innovation that has stood the test of time.



