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## RBC Retirement Funding Sensitivity™ Illustration

Investors and Financial Consultants who are interested in taking a planning approach to funding retirement often use popular forecasting models to quantify expectations and predict outcomes. Looking at numbers that represent future possibilities helps take some of the “guess work” out of their decisions.

One drawback to using these models is it can be hard to interpret the data, because context about major assumptions (variables) used to calculate “the number” are not provided. However, a new model, **RBC Retirement Funding Sensitivity™**, helps put forecasting numbers into perspective. By showing how changes in variables investors can control (such as how much to save and when to retire) and how changes in variables they cannot control (like inflation and longevity) may result in widely different outcomes, investors can see which variables are sensitive to their retirement income plan.

*A Retirement Funding Sensitivity illustration offers a more complete approach to forecasting. Both investors and Financial Consultants can use the context it provides to look beyond the numbers and better understand the underlying assumptions. Its transparency also builds stronger working relationships based on the responsibilities it helps define and the trust it helps establish.*

For more information, contact your Financial Consultant.



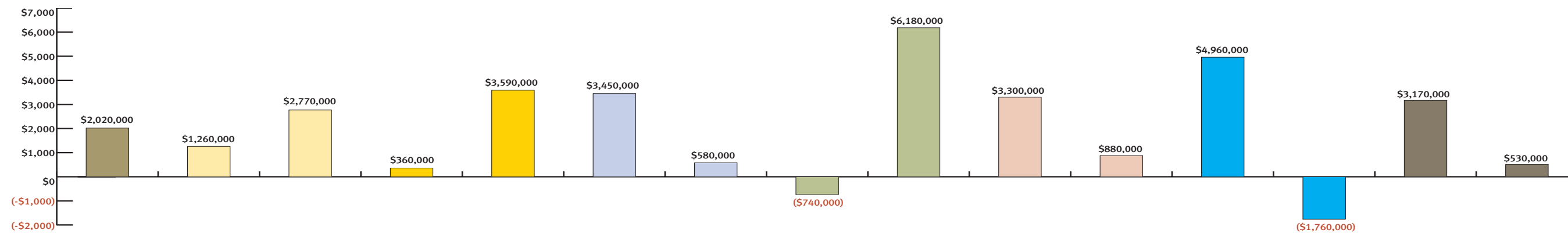
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# RBC Retirement Funding Sensitivity™ Illustration

	Base Case	Things You Control						Things Hard to Control				Things Very Hard to Control			
		Savings Lower	Savings Higher	Retirement Age Lower (Sooner)	Retirement Age Higher (Work Longer)	Lifestyle Expenses Lower (Less)	Lifestyle Expenses Higher (More)	Investment Return Rate Lower	Investment Return Rate Higher	Income Tax Lower	Income Tax Higher	Inflation Lower	Inflation Higher	Life Expectancy Lower	Life Expectancy Higher
	Base Case	\$10,000	\$30,000	64	68	\$90,000	\$110,000	6%	8%	20%	30%	2%	4%	90	100
<b>Sensitivity</b>	<b>Base Case</b>	<b>1a</b>	<b>1b</b>	<b>2a</b>	<b>2b</b>	<b>3a</b>	<b>3b</b>	<b>4a</b>	<b>4b</b>	<b>5a</b>	<b>5b</b>	<b>6a</b>	<b>6b</b>	<b>7a</b>	<b>7b</b>
Current Age – Client	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
Assets – Non Qualified	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Assets – Qualified	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Total Investment Assets	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Social Security 1	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Social Security 2	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Annual Savings Until Retirement (Qualified)	\$20,000	\$10,000	\$30,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Retirement Age	66	66	66	64	68	66	66	66	66	66	66	66	66	66	66
Assets at Retirement	\$3,210,000	\$3,050,000	\$3,360,000	\$2,800,000	\$3,760,000	\$3,210,000	\$3,210,000	\$2,940,000	\$3,500,000	\$3,260,000	\$3,160,000	\$3,210,000	\$3,210,000	\$3,210,000	\$3,210,000
Retirement Lifestyle Expense (Income After-Tax) Today's Dollars	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$90,000	\$110,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Investment Estimated Expected Return Rate (Pre-Tax)	7%	7%	7%	7%	7%	7%	7%	6%	8%	7%	7%	7%	7%	7%	7%
Income Tax Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	20%	30%	25%	25%	25%	25%
Inflation Rate	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	2%	4%	3%	3%
Life Expectancy	95	95	95	95	95	95	95	95	95	95	95	95	95	90	100
Investment Assets at Life Expectancy	\$2,020,000	\$1,260,000	\$2,770,000	\$360,000	\$3,590,000	\$3,450,000	\$580,000	(\$740,000)	\$6,180,000	\$3,300,000	\$880,000	\$4,960,000	(\$1,760,000)	\$3,170,000	\$530,000



	Social Security 1	Social Security 2	Cash Inflow	Cash Inflow	Cash Inflow	Cash Inflow	Cash Inflow
Current Age – Spouse		55					
Start Age	66	66	55	55	55	55	55
End Age	95	95	55	55	55	55	55
Inflation/Index	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amount \$ (Today's \$)	\$12,000	\$6,000	\$0	\$0	\$0	\$0	\$0
Tax Rate			0.0%	0.0%	0.0%	0.0%	0.0%
Amount \$ After-Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Future Value	\$13,388	\$6,694	\$0	\$0	\$0	\$0	\$0
Type/Description	Social Security 1	Social Security 2	\$20,000				

	Cash Outflow	Cash Outflow	Cash Outflow	Cash Outflow	Cash Outflow	Cash Outflow
Start Age	55	55	55	55	55	55
End Age	55	55	55	55	55	55
Inflation/Index	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amount \$ (Today's \$)	\$0	\$0	\$0	\$0	\$0	\$0
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amount \$ After-Tax	\$0	\$0	\$0	\$0	\$0	\$0
Future Value	\$0	\$0	\$0	\$0	\$0	\$0
Type/Description						