

# DIRECT INVESTOR



All online and  
mobile equity  
trades are  
**\$9.95**  
or less<sup>1</sup>

## Why RESPs make the grade

A Registered Education Savings Plan (RESP) is a great tool to use when saving for a child's post-secondary education – especially in light of rising education costs in North America. And with the new joint subscriber account now available – and additional government grants coming later this year for your RBC Direct Investing™ RESP – these tax-deferred plans offer more than ever.

### New! Joint subscriber accounts

We now offer RESP accounts with the option for you and your spouse or common-law partner to be joint subscribers.

If your child does not use all of the available RESP investment income for school, any unused income can be paid out to one or both of the joint subscribers (in taxable cash plus 20% additional tax) or transferred on a tax-deferred basis (and without the additional tax) to one or both subscribers' RRSPs (with a lifetime maximum transfer of \$50,000 each), if contribution room is available. And if one joint subscriber passes away, the other, automatically, will continue to be a subscriber.

See *Coming soon: additional government grants* on page 2.

## Celebrating 25 years of RBC Direct Investing

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Looking for the RBC Global Asset Management® Market Outlook? Head to the *Market Insight* page of the **Markets** tab, go to the Expert Insights section and select "Investment Outlook." While you're there, check out the latest One Minute Market Update, Economic Outlook and more.

RBC Direct Investing



## Coming soon: additional government grants (see table)

In addition to the Canada Education Savings Grant (CESG) and Quebec Education Savings Incentive (QESI), later this year three grants or bonds – the Canada Learning Bond, Additional Canada Education Savings Grant and Alberta Centennial Education Savings Grant – will be available for RBC Direct Investing RESP accounts.

### Start early for maximum growth potential

If you'd like to open an RESP for a child in your life, now's the time to start. The sooner you start saving, the sooner you'll

start earning tax-deferred compound gains and attracting government grants and bonds. And by starting an account dedicated to education savings – with easy access to goal-setting tools and pre-authorized contribution arrangements – you will increase the likelihood of achieving your savings goal.

**Log in to the online investing site and click “Open New Accounts” under the *My Home* tab to get started.**

### Grants and bonds for RESPs

Here's a quick overview of what each government program provides – along with key eligibility requirements.

Program and provider	Amount	Eligibility requirements
Government of Canada <b>Basic Canada Education Savings Grant (CESG)</b>	<ul style="list-style-type: none"> <li>20% of up to \$2,500 contributed annually (maximum \$500)</li> <li>Lifetime limit of \$7,200 per child</li> </ul>	<ul style="list-style-type: none"> <li>Payable to all RESP beneficiaries, up to the age of 18 (special rules apply at ages 16 and 17)</li> <li>Beneficiary must have a social insurance number (SIN)</li> </ul>
Government of Canada <b>Additional CESG</b>	<ul style="list-style-type: none"> <li>Paid in addition to the CESG</li> <li>Adds an extra 10% or 20% (depending on family income) onto the first \$500 contributed to the RESP annually</li> </ul>	<ul style="list-style-type: none"> <li>Based on family income:               <ul style="list-style-type: none"> <li>– 20% of the first \$500 annually if net family income is \$43,953 or less</li> <li>– Grant of 10% of the first \$500 annually if net family income is between \$43,953 and \$87,907 (2014 amounts; income thresholds are adjusted annually)</li> </ul> </li> </ul>
Government of Canada <b>Canada Learning Bond</b>	<ul style="list-style-type: none"> <li>\$500 upon opening the RESP</li> <li>\$100 each subsequent year for up to 15 years</li> </ul>	<ul style="list-style-type: none"> <li>Family must receive the National Child Benefit Supplement (net income of \$43,953 or less)</li> <li>Must open an RESP at an early age to receive the full \$2,000</li> </ul>
Government of Quebec <b>Quebec Education Savings Incentive</b>	<ul style="list-style-type: none"> <li>10% tax credit paid directly to the RESP, on up to \$2,500 contributed annually (maximum \$250)</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiary must be under age 18 and a resident of Quebec</li> </ul>
Government of Alberta <b>Alberta Centennial Education Savings Grant</b>	<ul style="list-style-type: none"> <li>\$500 at birth, provided an RESP is opened</li> <li>\$100 in the years the child turns age 8, 11 and 14</li> </ul>	<ul style="list-style-type: none"> <li>Available to residents of Alberta</li> </ul>

To access the forms to apply for these grants, log in to the online investing site, click *Forms* under the **My Home** tab and select “Other services” in the Forms table.

## How to get an A+ on your RESP report card

- ✓ Start as soon as you can
- ✓ Contribute enough to attract maximum government grants
- ✓ Set up pre-authorized contributions
- ✓ Use the Goal Setting tool to chart your progress
- ✓ Join the Community<sup>§</sup> to see what other investors with similar goals are holding in their portfolios, and exchange ideas with them

<sup>§</sup> Specific terms and conditions apply for membership in the RBC Direct Investing Community. For details please sign in to the RBC Direct Investing online investing site, click the link to the Legal Terms of Use and read the RBC Direct Investing Community – Terms of Service.



## Top 5 reasons to be part of the Community

1. **Get countless potential investing ideas for your portfolio.** View the holdings (in percentage values) that other investors are using to build their portfolios.
2. **Connect with other investors.** Share your experiences, or your latest trade, and ask questions of other investors.
3. **Discover.** Get in on the *Forums*<sup>†</sup> discussions that interest you to learn and gain insight from other members.
4. **Compare.** See how your investments are performing compared to other members' portfolios.
5. **See how you're doing.** Check out your personal dashboard to see at a glance how you're progressing with your investment goals.

Plus, Community membership comes with perks! We just gave away 12 prizes of \$1,000 in our weekly giveaway contest and now there's more great news! **The contest will be extended to the end of the year – giving all Community members even more chances to win<sup>^</sup>.** Visit the [rbcdirectinvesting.com/communitycontest](http://rbcdirectinvesting.com/communitycontest) page in mid October for full details.

### Become a Community member today. Joining is quick and easy:

- Sign in to your RBC Direct Investing account
- Select the **Community** tab
- Click "Join the Community"
- Create your profile, set up a goal – and you're done!

<sup>†</sup> Forum topics and discussions are member-generated and do not constitute recommendations or advice from RBC Direct Investing Inc.

<sup>^</sup> The weekly draw is only open to RBC Direct Investing Community members. No purchase necessary. Selected participants in the draw must successfully answer a skill-testing question before they can be declared a prize winner. Please see complete contest rules for further information.

## Enhanced account security

Starting mid-October, some clients will be prompted to create personal verification questions (PVQs) when they log in to the online investing site. This only applies to you if you are using an RBC Direct Investing client card number to sign in to your account.

By creating verification questions that only you can answer, you'll be able to reset your forgotten password anytime using the "Forgot Password" feature on the Sign-in page. The process of resetting your password is easy and maintains the safety, confidentiality and integrity of your accounts.

If you have already created PVQs for RBC Royal Bank® Online Banking, you may be prompted to answer these questions when you sign in to your RBC Direct Investing account with your banking client card.

This is another way we're dedicated to providing you with a secure online investing experience.

## Are you celebrating your 71st birthday in 2014?

If you're turning 71 in 2014, remember you must convert your Registered Retirement Savings Plan (RRSP) to a Registered Retirement Income Fund (RRIF) before December 31.

Follow these steps to convert your RRSP to a RRIF online:

- Log in to the online investing site and select "Open New Accounts" under the **My Home** tab.
- Choose the "Open a Personal Investment, TFSA, RSP and/or RIF Account" link.
- For account ownership, select "Sole."
- For account type, select "Retirement Income Fund" and the type of income fund account you wish to open.
- Choose the method of application (the "Interactive online application form" is the fastest and easiest way to open an account).
- From there, follow the guide to completing and submitting the forms electronically.

You can also visit your local RBC Royal Bank branch to apply in person. If you need assistance or have questions, please call 1-800-769-2560.

## Celebrating 25 years

RBC Direct Investing is celebrating its 25th anniversary in October. There's been a lot of change throughout the years. Your self-directed needs have evolved, and we've kept leading the way to bring you new innovations.

### In the beginning

In 1989 when we were known as Royal Bank Investor Trading Inc., a dozen or so Investment Services Representatives took buy and sell orders on colour-coded pieces of paper. Soon you could use a Touch-Tone telephone to place your orders, and next came the option to use windows-based software to place orders from your PC. Later, we introduced our online investing site, which has continued to evolve to meet the needs of online investors. The heart of our business then and today is our team that serves clients over the phone, online and in our Investor Centres. Our entire team remains dedicated to delivering our clients the very best service.

### The new millennium

By the 2000s, you embraced technology and we responded to your needs by introducing:

- Alerts to help you stay on top of the markets and your investments
- Online access to account statements
- A suite of new tools to enrich portfolio management
- **Practice Accounts** so you can learn at your own pace, risk-free.

Keeping value top-of-mind, we launched new ways to qualify for commissions as low as **\$6.95 or \$9.95**; and lower-fee **Series D mutual funds**<sup>2</sup> debuted exclusively for our clients.

### The 2010s: We get social and go mobile

Offering clients convenience and value continues to be our driver. With the **dual-currency** feature, you can hold and settle trades in U.S. dollars in most registered accounts. And through the **RBC® Mobile app**<sup>3</sup>, you can experience the freedom of online investing on-the-go.

Always striving to provide you with more services at a lower cost, late last year the minimum initial purchase amount for Series D mutual funds was reduced from \$10,000 to as low as \$500, and access expanded to a selection of major fund companies. This year, we leveled the playing field for all investors with **\$9.95 online or mobile equity trades (or less)**.<sup>1</sup>

The **Community** is one of our most exciting innovations of the past few years. Its 10,000+ members can connect with a social circle of investors securely and anonymously.

### The future is bright

We want to thank you for choosing RBC Direct Investing and for being the inspiration that has moved us forward for the past 25 years. We look forward to the future – and the opportunity to innovate and improve your investing experience.



## RBC Direct Investing

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<sup>1</sup> All RBC Direct Investing clients pay \$9.95 CDN or US per equity trade with no minimum account balance or trading activity required. \$6.95 flat CDN or US per equity trade when you trade 150 times or more per quarter. This pricing only applies to trades placed through an available Automated Service, including the online investing site and mobile application. Additional terms and conditions apply. Visit [www.rbcdirectinvesting.com/lowtrades](http://www.rbcdirectinvesting.com/lowtrades) or call 1-800-769-2560 for complete details.

<sup>2</sup> There may be commissions, trailing commissions, management fees and expenses associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed or covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer, their values change frequently and past performance may not be repeated. For money market funds there can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you.

<sup>3</sup> RBC Mobile is operated by Royal Bank of Canada, RBC Direct Investing Inc. and RBC Dominion Securities Inc.

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For past issues of our newsletter, go to [www.rbcdirectinvesting.com/newsletter](http://www.rbcdirectinvesting.com/newsletter). For account-specific inquiries, call us toll-free at 1-800-769-2560.