Unit Investment Trusts

Wealth Management

Offering a diverse array of professionally selected investments

Unit Investment Trusts (UITs) offer a convenient and affordable investment option to gain diversification with a specific investment objective. UITs may be appropriate for a variety of reasons such as diversification, liquidity, asset allocation and tax control. This fact sheet is to help you understand UITs and how RBC Wealth Management and your financial advisor are compensated when you invest in UITs. Please read this document together with the trust prospectus and contact your RBC Wealth Management® financial advisor if you have any questions.

Overview

UITs register with the Securities and Exchange Commission as Registered Investment Companies (RIC) or Grantor trusts. The trust invests in a professionally selected, fixed, and unmanaged portfolio* with a specific investment objective that follows a "buy and hold" strategy. When the UIT terminates, the portfolio's securities are liquidated and the redemption proceeds are distributed to the holders.

There are two categories UITs primarily fall into: equity (stocks) and fixed income (bonds).

Equity UITs

Equity UITs enable you to invest in a basket of stocks with a specific investment objective. There is a wide variety of diversified portfolios to choose from with targeted exposure to a strategy, sector, or asset allocation that's appropriate for your specific financial goals and risk tolerance.

Taxable fixed income UITs

Taxable fixed income UITs invest in a pool of bonds that could include corporate bonds, taxable municipal bonds or agency issues that provide monthly or semiannual income.

Tax-free fixed income UITs

Tax-free fixed income UITs invest in a pool of bonds that are exempt from federal income taxes and in some cases state income taxes. These investments provide monthly or semiannual income.

Buying a UIT

With a low minimum investment threshold (approximately $10 for equity UITs and $1000 for fixed income UITs) you have the opportunity to gain access to a defined and diversified portfolio of securities with daily liquidity and a defined life span in a single transaction.

Reinvestment options

Most UITs allow investors to elect to have distributions reinvested into additional units of the same trust.

Sales charges and costs

UITs sales charges include a deferred sales charge and a 0.50% creation and development (C&D) fee. In addition to the sales charges, UITs are subject to annual operating expenses and organizational costs.

Investors in fee accounts will only be charged the C&D fee.

Please see sales charges below:

Term of equity UIT	Maximum sales charge
13 and 15 months	1.85%
Two years	2.75%
Five years	3.95%

Term of fixed income UIT	Maximum sales charge
< 5 year avg. maturity	1.95%
5 - 11.99 year avg. maturity	2.50%
12+ year avg. maturity	3.50%

For complete details on sales charges and other fees please see the prospectus.

Selling a UIT

UITs have daily liquidity and can be sold back to the sponsor at any time prior to termination at the net asset value (NAV) less any remaining deferred sales charges.

Because of market fluctuations, the value of the trust could be more or less from the date of purchase.

Tax consequences

UIT holders are subject to taxes and could realize a taxable gain or loss. Dividends, interest, and capital gains are subject to income taxes. For retirement accounts such as IRAs, taxes are deferred until distributions are taken from the account.

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

* In rare cases, a security may be sold out of the portfolio, usually because of some material change, financial distress, or is bought or merged with another company.

Municipal unit investment trusts can provide income that is not subject to federal or state taxes depending on the types of bonds held in the trust portfolio. For some investors, portions of income earned on such securities may be subject to the alternative minimum tax.

The RIC or granter structures are both subject to potential reclassification. Reclassification is income and principal received by the trust and distributed to unit holders. It can generally be reclassified as qualified dividend income, return of capital, long-term capital gain or short-term capital gain. It is important to take this into consideration when you decide to file your taxes as it could result in an advantageous taxable event. As always, please consult your tax advisor when making investment decisions.

How your financial advisor and RBC Wealth Management are compensated

Your financial advisor and RBC Wealth Management are compensated when you buy UITs.

Financial advisors received compensation from the UIT sponsors except when purchased through fee-based advisory accounts. UIT sponsors retain the difference between the maximum sales charge and dealer concession. The dealer concession is what is paid out to the financial advisor.

In addition to the dealer concession, UIT sponsors generally pay RBC Wealth Management an additional concession based on their overall volume of sales for a specified period of time. These vary by UIT sponsor.

Risk considerations

There are no guarantees that any individual UIT will achieve its investment objectives. UITs are unmanaged and the portfolios remain static* for the life of the trust. UITs are subject to market risk and may lose market value. Additionally, there are tax consequences in buying and selling UITs.

Investors should, therefore, consider the investment objectives, risks, charges and expenses of a UIT carefully before investing. Prospectuses containing this and other information are available by contacting your RBC Wealth Management financial advisor. Please read the prospectus carefully before investing to make sure that the UIT is appropriate for your goals and risk tolerance.

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