

Lara Austin's

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Minding Money



Lara D. Austin

B.A. (Hons.), CIM, FMA
Investment Advisor

250-334-5600

lara.austin@rbc.com

www.LaraAustin.com

RBC Dominion Securities
777A Fitzgerald Avenue
Courtenay, BC V9N 2R4

*For the friends and clients
of Lara Austin of
RBC Dominion Securities*

Do you believe in Humanity?

At times like these, it is hard to imagine that the collective 'we' will ever figure a way out of this 'mess'. Economists, Politicians, Investors are all nervous about the direction economies around the world will take in the next few years. In retrospect, market 'noise' like we are hearing today has always signaled good buying opportunities. Look at market prices of quality companies from any of the 12 market crashes since 1950. You can find them on Wikipedia in the event that you forgot them. At the very least, not dumping good quality companies in a negative macro environment will always turn out to be a good move – just make sure you have enough cash and safe \$ to let you sleep at night!

If you need help being an optimist, take a moment to reflect on all the things that humanity has accomplished in the recent past – in particular the last 5 to 10 years.

- **Advancements in Healthcare:** In 1918 some 22 million people worldwide died of influenza. Tuberculosis, polio and many other diseases have essentially been eradicated due to vaccines. Now, medical advancement boggles the brain. Surgery on hearts of infants - in utero; laser eye treatment; blood tests to detect Alzheimer's and steps for future developments including stem cell research and nanotechnology.
- **Resolution of the Cuban Missile Crisis:** On October 15th, 1962 the Cuban Missile Crisis was the closest the world ever came to nuclear war. The United States armed forces were at their highest state of readiness ever and Soviet field commanders in Cuba were prepared to use battlefield nuclear weapons to defend the island if it was invaded. Luckily, thanks to the bravery of two men, President John F. Kennedy and Premier Nikita Khrushchev, war was averted. *And proof that politicians can have positive influence on outcomes!*
- Tearing down the Berlin Wall
- Landing on the moon (and returning)
- We have moved on from tangibly printed words (i.e. tablets/e-readers). Think of how many centuries we have been tied to the written word on paper – this is a biggie!
- We mapped the entire Human Genome
- Persevering and growing through the 23 recessions to hit the North American economy since 1900. In fact, we should view a downturn as a natural part of progression!

It also helps to focus on the elements that are within our control and to better understand what elements are not. (you may have heard me say this before). Focus on Fundamentals of quality and healthy balance sheets, tax efficiency of your investment decisions and your own custom asset allocation choice and time horizon.

I always enjoy helping my various clients better understand their investing options and help them balance their needs for the near term and the long term. It has been frustrating to face another market downturn so quickly after the last one, but we cannot forget what time, patience and pure human ingenuity can do for us.

Lara D. Austin

Most Powerful words in the English Language... I appoint you...

Imagine an aging parent, a person full of independence and capability, falling victim to a debilitating illness such as Alzheimer's disease, or suffering a stroke which impairs his or her mental functions. Consider what would happen if you or a family member are out of the country for an extended period. How will your bills be paid, contracts be signed or cheques cashed? Not uncommon, any of these situations can arise with little or no notice. You may think that in situations of mental or physical incapacity, or simply your absence, that your family can act on your behalf. Unfortunately, that assumption is incorrect. Without receiving court approval or having executed a valid power of attorney (in Quebec referred to as a mandate), your family cannot manage your financial affairs.

Like a Will, a power of attorney is one of the most important documents within your estate plan. Yet, as with a Will, the power of attorney is commonly overlooked until it is too late. This often relatively simple document can save you and your family from financial and other difficulties by authorizing one or more person(s) to act on your behalf should you become unable to do so.

A power of attorney is a document in which one person (a donor) authorizes another person (the attorney) to manage the donor's property on behalf of the donor. At its broadest, a general power of attorney authorizes the attorney to do almost anything in respect to the donor's property that the donor himself or herself could do, except make or amend a Will. However, the power of attorney may be more limited. For example, the power of attorney may authorize the attorney to act only during a specified period of time, such as while the donor is out of the country, or only in relation to specific property (e.g. bank accounts) of the donor.

Continuing powers of attorney

A continuing power of attorney (also sometimes called a durable or enduring power of attorney) is one which authorizes the attorney to continue to manage the donor's property during any subsequent incapacity of the donor. The specific provisions included in a continuing power of attorney enable the attorney's authority to continue even if the donor was to become incapacitated. It is this aspect of the

continuing power of attorney which makes it a potentially invaluable planning tool. A donor can ensure that, in the event of a sudden or gradual loss of his or her mental capacity, a trusted individual will be able to manage his or her property for the benefit of the donor and any dependents.

Personal care powers of attorney

It should also be noted that in many provinces there is legislation that permits an individual to name a person or persons to make decisions concerning personal or medical care or treatment if (and usually only if) the individual is incapable of making his or her own decisions of this nature. While the document making this type of appointment may also be called a power of attorney, it is quite distinct from the powers of attorney which deal with property described earlier.

The donor may choose to appoint different individuals to make these types of decisions than those he or she names to manage property. These documents may contain very personal wishes concerning the type of care or treatment the individual does or does not wish to receive. Directions concerning the nature and extent of medical treatment, or the termination of such treatment in the event of terminal, serious or chronic illness or a disabling accident (often referred to as "living Wills" or "advance directives"), may be incorporated into a power of attorney governing personal care, or may exist as independent documents with their effect and specific terms varying according to the relevant provincial law.

Incapacity

For most people, the main reason for having a continuing power of attorney is to provide for the possibility of loss of mental capacity. This can arise due to a sudden illness such as a stroke, an automobile or other accident, or an age-related illness resulting in the gradual loss of mental faculties. While a gradual decline of capacity is of more concern to older persons, sudden illness or accident can be experienced by anyone, regardless of age. If you do not have a named attorney to act with respect to financial matters, it may be necessary to apply to the court for the appointment of someone to attend to your financial affairs. The person appointed may not be the one you would like to have act on your behalf, and the terms of the appointment may not

be consistent with the way you would want your property managed. A court application is usually costly and takes weeks or even months to conclude. The appointee may be required to post security, often in the form of a bond from an insurance company at your expense. Government officials, such as the Public Trustee, may be involved in the court application, resulting in more expense and complexity. There may be requirements to report on an ongoing basis to government officials and/or the court, also at your expense. A continuing (enduring) power of attorney will probably avoid some or all of these proceedings. In addition, a continuing power of attorney gives you the opportunity to select those whom you wish to manage your property, and even to give some guidance as to how this is to be done.

WHO MUST I CHOOSE for Power of Attorney?

Must my attorney be a lawyer or a notary?

One frequent misconception when selecting an attorney is that this person must be a lawyer/notary. This is not the case. Your attorney can be any mentally competent adult or a trust company. Your attorney has a fiduciary duty to act in your best interest and is accountable to you and the beneficiaries of your estate.

Should my spouse be my attorney?

Your spouse may be the appropriate choice as your primary attorney. Since your spouse is often away at the same time you are, and since there is a risk of being together in an incapacitating accident, naming someone else to act as alternate for or in addition to your spouse is advisable. In some cases, you may wish to have your spouse act together with another individual who may be younger or may possess better property-management skills.

Who else should I consider naming as an attorney?

Adult children are often named as attorneys, either as co-attorneys or as alternates. Preferences may be given to those children living close to you and who are not required to travel extensively. Lawyers, notaries, accountants, trust companies, relatives and family friends may also be chosen. You should carefully consider the nature of your assets and the type of management they

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require, and then select persons you consider to be capable of handling your affairs personally. These persons must also know when and how to seek professional assistance as required. If you decide that a trust company is an appropriate choice, it is necessary to speak with a trust company representative as it may have internal rules which must be complied with if it is to accept the appointment.

Should my attorneys act jointly or jointly and severally?

If you name two or more individuals as your attorneys— either as the first choice or as alternates to a single individual such as your spouse—you must decide whether they should be required to act together in all cases (that is jointly), or whether they may act together and separately (that is, jointly and severally). If two individuals must act together, you may feel less concern that your property will be mismanaged or even misappropriated. In this situation, you run the risk that deadlock may occur, or that there may be delays in communication or action as a result of the practicality of getting two or more people together. However, it may well be that the increased security of requiring joint action outweighs any concern about delay or inconvenience. If you name more than two attorneys to act jointly, you should consider a majority-rule provision to facilitate the efficient management of your affairs. If you decide to name two or more attorneys who can act jointly and severally, it is much simpler for them to divide up the tasks of management to suit their circumstances. For example, if you name a spouse and a child, the spouse might take care of routine bill payments and the child attend to investment matters. If you name all of your children, no one will be left out of the decision-making process, but each can participate to an extent mutually agreed upon. If more than two people are named, even if jointly and severally, it may still be advisable to include a majority-rule provision to provide a means of resolving disagreements.

A Very Important Decision

You can't turn back time, and this document must be in place "before it's needed". Power of Attorney documents need to be well thought out and purposeful. Speak to your legal professional to assess your situation and options and find the solution that is right for you.

Benefits of eStatements with RBC Dominion Securities

- You can switch quickly and easily over the phone simply by calling James Ram (your Administrative Assistant) at 250-334-5604.
- eStatements are environmentally friendly.
- They are identical to the paper versions.
- They are generally available much before the mailed versions.
- You can access your eStatements any time, anywhere you have Internet access.
- You can view, print or save your eStatements with your own computers.
- Clients can access archived statements online for up to seven years, starting from November 2007.
- Along with eStatements, you can view your Wealth Management Review newsletter and other important information.

Important Points

- There are no fees for selecting or viewing electronic statements.
- You will be notified via a message in "Your Communications" when your new statement is available for viewing.
- You can view your account statements electronically now with other documents including trade confirmations coming soon.
- The cut-off date for statement preference changes is the last business day of the month. If you make a statement preference change after this date, it will be reflected in the following month's statement.
- If you wish to retain statements for longer than seven years, you have the option of either printing them or saving them on your computer.
- If you switch paper statements back on, previous electronic statements will no longer be accessible unless you printed or saved the statements prior to changing back to paper.
- Adobe Reader is free software that lets you open, view, search, and print Adobe Portable Document Format (PDF) files with built-in security features. It's free and can be downloaded from www.adobe.com.
- Adobe Acrobat supports encryption and password protection for added security.

How To Set Up eStatements:

Options: Self Set-up (available to current DS Online users only)

Go to 'My Accounts'

Go to 'Statements'

Go to 'Statement Options'

In the Statement Options page, you will see which accounts have either the Paper or Electronic statement options. To change one of your accounts to eStatement, simply click on "Change" and follow the instructions.

OR

Call James Ram (your Administrative Assistant) at 250-334-5604. He will get you up and running with DS Online and e-statements.

PS: You are not automatically signed up for e-statements if you are viewing accounts with DS Online, it involves a second step.



Special Offer for Clients of RBC Dominion Securities

- Three months free service charges on new VIP bank accounts (\$90 value).
- While RBC offers 15,000 Avion points to clients who upgrade or activate the RBC Avion Visa, the Ryan Road Branch of RBC Royal Bank will match the 15,000 points. (limited time offer).
- Complimentary Service and Rates Comparison. As your Royal Bank Mobile Senior Account Manager, Tracy Bono can help you find the financial and investment solutions you need to meet your financial objectives, both now and in the years to come. With the strength and experience of RBC behind her, Tracy has access to the complete range of financial services.



RBC Partner Profile:

As your Royal Bank Mobile Senior Account Manager, Tracey Bono can help you find the financial and investment solutions you need to meet your financial objectives, both now and in the years to come. With the strength and experience of RBC behind her, Tracey has access to the complete range of financial services.

Tracey specializes in providing total financial solutions that are designed specifically for you. Whether you want help with all your financial needs or specialized services in partnership with your other professional advisors, your best interests will always come first. Our relationship is based on trust, with your financial information remaining in the strictest confidence.

RBC understands that time is precious, we strive on making banking “simpler, faster and better”. With our mobile strategy, RBC Mobile Banking provides client convenience to meet with Tracy for financial advice either at RBC Dominion Securities or in the comfort of your own home.

Tracy will be available to meet with you at our RBC Dominion Securities office located at 777A Fitzgerald Avenue every Thursday morning from 10am to 12pm. Please contact Tracy directly at 250-897-7222 or email her at tracy.bono@rbc.com to arrange a meeting.



RBC Wealth Management
Dominion Securities

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