RBC Dominion Securities Inc.

PortfolioAdvisor

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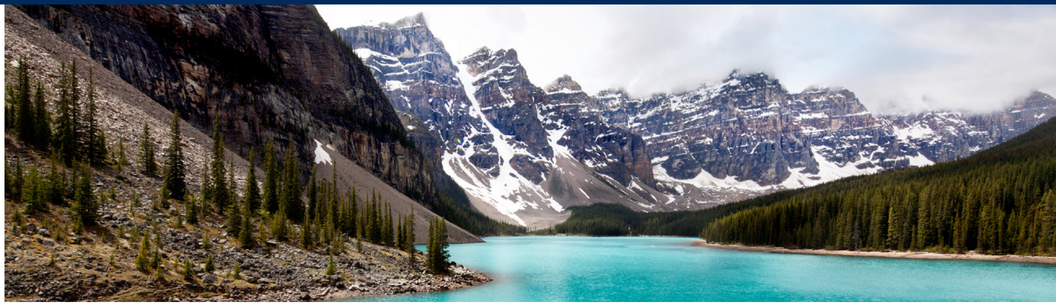
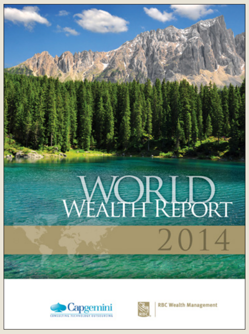


How the World's Wealthiest Manage Their Wealth

Key trends highlighted in World Wealth Report 2014

Wealthy investors with US$1 million or more are on the rise, and both their number and their wealth are increasing worldwide. Confidence is up, and the wealthy are increasingly seeking professional advice, consolidating accounts with a single firm, investing outside their home markets and supporting social change. In the World Wealth Report 2014, we learn about how these investors' preferences are taking effect worldwide, and how they manage and build their wealth for the future.



World Wealth Report 2014

The World Wealth Report 2014, produced by Capgemini and RBC Wealth Management, is the industry benchmark for examining the key drivers of wealth creation and the trends impacting high-net-worth individuals worldwide. The report draws insights from more than 4,500 survey respondents in 23 countries across five regions.

To view the full report, please contact us.

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1 The Number of Wealthy Individuals Grows Worldwide

According to the World Wealth Report 2014, the number of wealthy individuals worldwide grew to 13.7 million in 2013 from 12 million in 2012. Wealthy individuals are defined in the report as those having investable assets of US $1 million or more (excluding their primary residence, collectibles such as art or jewelry, consumable items such as wine, and durable goods like automobiles).

Key Takeaway: Use an Integrated Approach to Manage the Complexities of Wealth

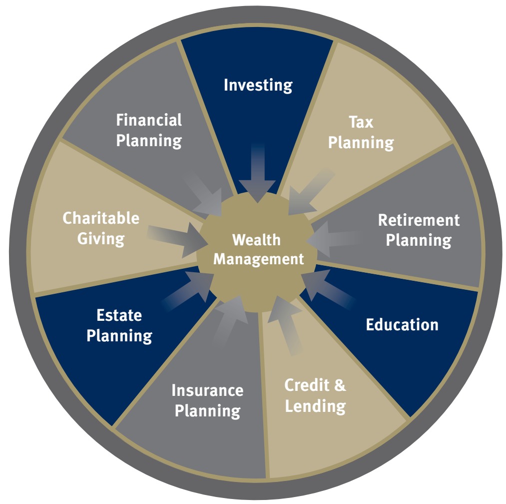
When you have $1 million or more to invest, you may have above-average opportunities, but you also have above-average financial concerns. These range from how to invest your wealth and manage your higher tax burden to how to protect your family's financial security and create your legacy.

Because these various concerns are not only complex, but often interrelated, wealthy individuals and their families often use an "integrated wealth management approach" to manage their wealth. This approach helps you coordinate multi-faceted financial concerns while evolving with your needs at each life stage:

- **Accumulating wealth** – growing assets for future goals like retirement
- **Protecting wealth** – maintaining assets to protect financial well-being
- **Converting wealth** – creating an income stream to live an ideal retirement lifestyle
- **Transferring wealth** – creating a lasting legacy for family and other beneficiaries

An integrated wealth approach also helps coordinate the work conducted by your various advisors (financial planners, investment managers, private bankers, accountants, lawyers, etc.).

An Integrated Wealth Strategy



Ask us about a complimentary Family Snapshot® that captures your family's total income, assets and expenses in one report, then projects your needs for cash flow, retirement income, estate planning and insurance. Your Family Snapshot includes a detailed report of wealth management solutions and strategies tailored to your financial situation and goals for the future.

2 Global Investments Take Flight

The World Wealth Report 2014 showed that wealthy individuals became much more interested in investing outside their home markets, with more than one third of their portfolios allocated to investments outside of their home region, up from 25% in 2013. In North America, for example, wealthy individuals shifted more of their portfolio allocation to invest in Europe, while in Europe a similar pattern emerged: Europeans placed less investment in their own regions and more in North America.

Key Takeaway: Add a Global Perspective to Your Portfolio

Canadian investments represent fewer than 5% of all investments available worldwide, and some international markets have historically performed better than Canada. Having the right balance of global and Canadian investments can help reduce risk because, when you have a globally diversified portfolio, weaker performance in any single part of the world – including Canada – can be offset by stronger performance in another.

One way to incorporate global investments in your portfolio is through an Exchange-Traded Fund (ETF) investment. These funds are listed and traded on major stock exchanges, and can provide exposure to stocks and bonds, as well as commodities and currencies. Unlike individual securities, however, ETFs give you exposure to diversified portfolios of securities across a wide range of asset classes in one transaction, so there's no need to trade and manage individual securities.

Speak to us for more information about increasing global diversification in your portfolio, or ask us for a copy of the latest issue of Global Insight, *covering global economic events, topical insights, asset class commentary, region-specific commentary and market forecasts.*

3 Wealthy HNWIs Are Feeling More Confident – and Investing More for Growth

HNWIs became more confident in 2014, thanks to a reduced emphasis on global risks – such as the U.S. debt load, Eurozone issues and a potential slowdown in China growth – as well as improving global economies and strong performance in the equity markets. Confidence in future wealth generation increased from 75% to 77%.

Key Takeaway: Take a Balanced Approach

Increasing confidence in the global markets is a positive sign. However, it's important to strike the right balance between capital growth and preservation in your investment portfolio based on your individual situation, as well as current market conditions. Generally your portfolio strategy should reflect your long-term investment needs – with a greater focus on growth in your income-earning years and a greater focus on income and capital preservation as you approach retirement.

If you have not had your portfolio strategy reviewed recently, contact us to discuss whether your current portfolio is positioned to meet your needs for income, growth and security.

4 Wealthy Investors Seek Simplicity

The World Wealth Report 2014 revealed a strong preference among wealthy investors for dealing with a single firm (41%) versus maintaining relationships with multiple firms (12%). One reason for this may be the higher complexity resulting from the increasing regulation of the global financial industry. Here in Canada, there are numerous initiatives under way to increase disclosure, reduce risk and protect clients' interests. However, these initiatives are also increasing administration and complexity for investors.

Key Takeaway: Simplify With Consolidation

As a result of increasing regulation, many investors may prefer to work with one firm for all of their investment and wealth management needs – including banking, tax minimization and estate planning – instead of maintaining accounts across multiple firms.

When you consolidate with one firm, you bring together all your investment accounts with one advisor, which can eliminate unnecessary duplication, reduce paperwork, reduce fees and make it much easier to keep track of your investments. Instead of having different advisors with incomplete information working at odds with each other, you work with one advisor who sees the big picture, understands your overall financial situation and provides the advice you need.

Consolidating your accounts with one advisor may help you find efficiencies, simplify your wealth management and reduce fees. We can work with you to bring all of your accounts together for a more comprehensive approach to your overall wealth management.

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5 Driving Social Impact is Important for Wealthy Individuals

A majority of wealthy individuals (over 92%) feel that it is important to support positive social impact with their time, money or expertise, the World Wealth Report revealed. This can mean volunteering on an organization's Board of Directors, setting up and contributing to a private foundation or endowment, or donating cash or securities. Most were motivated to give back by their personal or family values and a wish to foster social values among their family and children.

Key Takeaway: Consider Strategies to Maximize Your Legacy

Making cash donations to charitable organizations isn't the only way to give back. Some investors prefer to invest in companies and funds that have social impact as a clearly defined goal, while others may establish a private foundation as part of their estate plan, and a way to involve their family in the giving process.

Here are a few ways to make the most of your legacy:

- When you donate publicly traded securities that have appreciated in value to a qualified charity, you may not have to pay any capital gains tax. Plus, you receive a donation receipt equal to the fair market value of the donated security.
- Establish a private foundation to create an enduring philanthropic legacy. This gives you a high level of control and flexibility, but there are ongoing costs and administrative requirements.
- Set up a donor-advised fund, which is a more convenient alternative to a private foundation, for those who prefer less day-to-day involvement.
- Donate a life insurance policy that funds a very large payment to your chosen charity for a relatively small outlay of cash.

There are numerous ways to give back to charitable causes that are important to you – including community-values-based funds with socially conscious governance practices, donor-advised funds, establishing a private foundation or leaving a gift of securities or an insurance policy in your Will. Speak to us to discuss your charitable giving goals, and to determine the right option for you and your family.

To discuss any of the strategies mentioned here, or to read the World Wealth Report 2014 *in full, please contact us today.*

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