

# Richard's Report

SUMMER 2015



**RICHARD DUPUIS**

Vice President & Portfolio Manager

705-743-4571

[richard.dupuis@rbc.com](mailto:richard.dupuis@rbc.com)

**LORIANN SHARP**

Administrative Assistant

705-743-4957

[loriann.sharp@rbc.com](mailto:loriann.sharp@rbc.com)

**LESLEY PERKS**

Associate

705-743-4337

[lesley.perks@rbc.com](mailto:lesley.perks@rbc.com)

RBC Dominion Securities

60 Hunter Street

Peterborough, ON K9H 1G5

[www.rbcds.com/richard.dupuis](http://www.rbcds.com/richard.dupuis)



## THE GREEK BAILOUT – AN ANALOGY

*I received this from a client and thought it timely to share. Thank you for sending, S.E. & R.E.! (The source is unknown, but it is circulating widely on the Internet.)*

It is a slow day in a little Greek village. The rain is beating down and the streets are deserted. Times are tough, everybody is in debt, and everybody lives on credit.

On this particular day a rich German tourist is driving through the village, stops at the local hotel and lays a €100 note on the desk, telling the hotel owner he wants to inspect the rooms upstairs in order to pick one to spend the night.

The owner gives him some keys and, as soon as the visitor has walked upstairs, the hotelier grabs the €100 note and runs next door to pay his debt to the butcher. The butcher takes the €100 note and runs down the street to repay his debt to the pig farmer. The pig farmer takes the €100 note and heads off to pay his bill at the supplier of feed and fuel. The guy at the Farmers' Co-op takes the €100 note and runs to pay his drinks bill at the tavern. The publican then rushes to the hotel and pays off his room bill to the hotel owner with the €100 note. The hotel proprietor then places the €100 note back on the counter so the rich traveller will not suspect anything. At that moment the traveler comes down the stairs, picks up the €100 note, states that the rooms are not satisfactory, pockets the money, and leaves town.

No one produced anything. No one earned anything. However, the whole village is now out of debt and looking to the future with a lot more optimism.

And that, ladies and gentlemen, is how the bailout package works.



**RBC Wealth Management**  
Dominion Securities

# AN UPDATE ON RBC'S LATEST GREEN INITIATIVES

It's been one year since RBC publicly launched a new RBC Environmental Blueprint, outlining our approach to environmental sustainability until 2018. So how are we doing? Recent environmental and sustainability highlights include:

- GHG intensity in our properties down 21% since 2012
- Total paper use down 20% since 2012
- 96% of the paper we use is FSC certified
- LEED certified office space up 30% since 2012
- Conducted over 1,100 detailed environmental credit risk assessments on financial transactions and project

finance deals worth \$7.9 billion in 2014

- Managed \$3.78 billion in socially responsible investments, up 23% since 2012
- Signed the Green Bond Principles
- Donated \$6.3 million to environmental charities in 2014

RBC has been named one of Canada's Greenest Employers for the seventh consecutive year, according to a competition organized by the editors of Canada's Top 100 Employers project. This special designation recognizes the employers that lead the nation in creating a culture of environmental awareness in their

organizations. Winners were evaluated on four factors: Unique initiatives and programs; reduction of environmental footprint; employee involvement, and the link between the company's 'green' initiatives and its public identity. Employers who receive this designation are recognized for developing exceptional earth-friendly initiatives and for attracting people to their organizations because of their environmental leadership.

To learn more, read the Green@RBC newsletter: <http://www.rbc.com/community-sustainability/environment/green-rbc-newsletter.html>

## CANADIAN SNOWBIRDS BEWARE

### Canadians Traveling to the U.S. Should Understand U.S. Tax Laws

If you are a Canadian resident who spends a considerable amount of time in the U.S., perhaps to escape Canadian winters, you may be surprised to know that your presence in the U.S., even if you are there only vacationing, could create U.S. income tax and other reporting obligations if your U.S. residency status is "U.S. resident alien."

In order to determine your U.S. residency status, the Internal Revenue Service (IRS) applies a test known as the "substantial presence test." This test averages the number of days you were present in the U.S. during the past three-year period, beginning with the current year.

Fortunately, there are circumstances where Canadian residents may

be exempt from the status of U.S. resident alien under the substantial presence test and may not have to file a U.S. resident tax return (Form 1040). However, failure to understand the U.S. tax obligations imposed by the IRS may result in unpleasant surprises and costly penalties.

As a rule of thumb, if you spend more than four months (122 days) every year in the U.S., you will meet the substantial presence test after the third year and annually thereafter, and therefore you will be considered to be a U.S. resident alien.

*If you believe this applies to you, or if you aren't sure whether this could apply to you, please contact me to discuss in more detail.*

## U.S. DOLLAR ATMs

Did you know Royal Bank has two ATM locations where you can withdraw US cash? One is located at the Chemong Road branch and the other at the Landsdowne Branch. Look for the symbol above the ATM showing 'US\$' to ensure the ATM dispenses US funds.

The ATM will operate normally as any other ATM. If you are withdrawing from an RBC Canadian dollar account, the exchange rate will be at the same exchange rate as if going in person to a teller. If you are withdrawing from an RBC U.S. dollar account, you just need to be aware of which account is your U.S. dollar account, whether it is "other chequing" or "other savings" and the short number that is attached to it. It's that easy!

This publication is not intended as nor does it constitute tax or legal advice. Readers should consult their own lawyer, accountant or other professional advisor when planning to implement a strategy. This information is not investment advice and should be used only in conjunction with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. RBC Dominion Securities Inc.\* and Royal Bank of Canada are separate corporate entities which are affiliated. \*Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. is a member company of RBC Wealth Management, a business segment of Royal Bank of Canada. Insurance products are offered through RBC Wealth Management Financial Services Inc., a subsidiary of RBC Dominion Securities Inc. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC Wealth Management Financial Services Inc. In Quebec, Investment Advisors are acting as Financial Security Advisors of RBC Wealth Management Financial Services Inc. RBC Wealth Management Financial Services Inc. is licensed as a financial services firm in the province of Quebec. ©Registered trademarks of Royal Bank of Canada. Used under licence. © RBC Dominion Securities Inc. 2015. All rights reserved. 15\_90511\_FDE\_003