RBC Dominion Securities Inc.

COOPER | WEALTH MANAGEMENT

FALL 2015

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MARKET OUTLOOK & COMMENTARY

The last quarter saw financial markets temporarily buckle under the combined influences of continued weak commodity prices, increasing signs of a slowdown and high market volatility in China, as well as uncertainty surrounding the timing of a proposed increase in U.S. interest rates. The TSX closed the quarter down 7%, the S&P 500 down 0.7% (in $CAD) and the Canadian Broad Composite Bond Index was down 0.1%. All markets saw a bit of recovery by the end of August but uncertainty and volatility remained.

The media has been busy with the activity, with worrying headlines daily. However, when in doubt, it is always best to observe the actions of market leaders. The truth about the real value of the market is often found there, and currently, we can take comfort from this fact:

Warren Buffet is buying.

Warren Buffet, the co-founder of Berkshire Hathaway, is widely considered one of the greatest investors of all time. In the past 60 days, he has made two multi-billion dollar acquisitions: the takeover of Precision Cast Parts and increasing a large stake in refiner Phillips 66. Earlier this year, he also took over H.J. Heinz and Kraft, resulting in billions in profit for his firm.

Mr. Buffet is a patient man and had previously held large reserves of cash un-invested for years. So why is he investing now? Because he sees value in the stock market, even in the beat up energy sector.

With the recent sell-off, stock market valuations are even more attractive, with some sectors such as energy trading near 2008 crisis valuations. The higher yields available from equities versus fixed income also make the case that equities currently have a better value proposition than bonds.

The fixed income market has been dominated by speculation on the timing of a U.S. Federal Reserve rate increase, sending the 2 year and 10 year U.S. Treasury bonds on a volatile ride. U.S. full employment and decent GDP growth make a strong case for a September increase, but this is tempered by a very strong U.S. dollar and weak international growth, particularly from China. The Fed's decision to keep interest rates steady, coupled with their lower global growth forcasts going forward suggest a much lower likelihood of rates going higher in 2015. Furthermore, if global data continues to be weak and inflation does not appear, the

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Fed could be on the sidelines for a few more months, creating a good environment for stocks.

Interest rate cuts in Canada have served to beat down the rate adjustable preferred share market 15-20%—which is currently 67% of the market and which we do not own—and created some great buying opportunities in perpetual preferred shares, which we will take advantage of for clients with a fixed income portion in their portfolios. This selloff was caused by forced selling by preferred share ETFs and has now eased.

Our covered call program helped us play defense, along with selecting stocks less volatile than the overall market. However, with market leaders such as CN Rail and Royal Bank down 15% from their highs, it isn't possible to completely avoid the selloff, which we view as temporary.

We continue to focus on careful equity selection and cash flow generation to meet your investment needs. As always, if you have any questions of concerns, or to set up or revise a financial plan, please give us a call.

Yours truly,

Cooper Wealth Management of RBC Dominion Securities

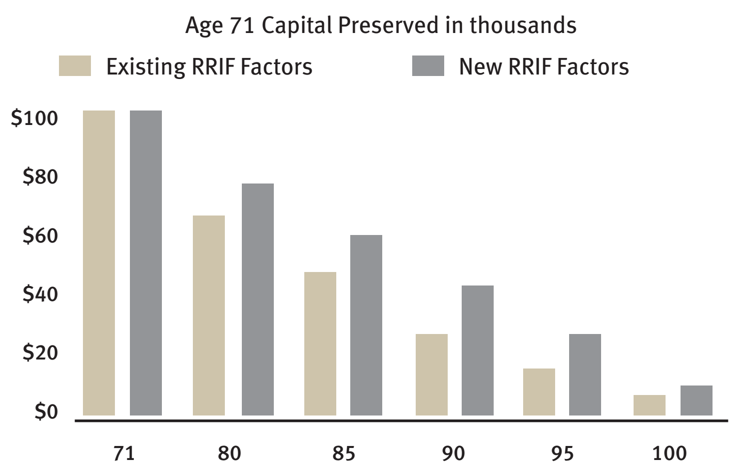
Trevor Cooper, Frank Cooper, Walter Harmidarow, Mira Bucciarelli

REDUCING THE RRIF MINIMUM WITHDRAWAL REQUIREMENTS

The existing RRIF rates are determined on the basis of providing a regular stream of payments from age 71 to 100 assuming a 7% nominal rate of return on RRIF assets and indexing at 1% annually. The rates are capped at 20% for ages 94 and above. The budget proposes to adjust the RRIF minimum withdrawal rates that apply from ages 71 to 94, on the basis of a 5% nominal rate of return and 2% indexing (see the following table). There will be no change to the minimum withdrawal rates that apply to ages 70 and under, which will continue to be determined by the formula 1/(90 – age). The effect of the new RRIF rates is to reduce the RRIF minimum withdrawals that are required and allow you to preserve more of your RRIF savings in order to provide income at older ages, while continuing to ensure the tax deferral on RRSP/RRIF savings. As an example, if we assume that you are 71 at the start of 2015 and your RRIF balance was $500,000, instead of withdrawing $36,900 you will now be required to withdraw only $26,400. If you are in a 45% tax bracket, your tax savings would be $4,725 this year.

The new RRIF withdrawal rates will apply for the 2015 and subsequent taxation years. Transitional rules will allow RRIF holders who, at any time in 2015, withdraw more than the reduced 2015 minimum amount to re-contribute the excess (up to the new minimum withdrawal amount) to their RRIFs. Re-contributions will be permitted until February 29, 2016, and will be deductible for the 2015 taxation year. Similar rules will apply to minimum payments from a locked-in plan. Overall, these new measures permit more capital preservation and reduce the risk of outliving one's savings.

Capital Preserved Under the RRIF Factors



*For an individual 71 years of age at the start of 2015 with $100,000 in RRIF capital making the required minimum RRIF withdrawal each year.

Source: http://business.financialpost.com/personal-finance/retirement/federal-budget-2015-government-relaxes-withdrawal-requirement-for-rrifs

Understanding Personal Pension Plans

The Future of Retirement with Integris Pension Management Corp.

What Is a Personal Pension Plan (PPP)?

It is a Canadian tax-savings solution from Integris Pension Management Corp. for business owners and incorporated professionals looking for a better way of saving for their retirement. As compared to an RRSP, this solution allows up to 60% greater tax-deferred compounding until the individual retires.

Why Own This Solution?

Shelter More Income – The ability to build a larger retirement nest-egg by increased contribution levels on an annual basis.

Safety of Your Assets – Your savings within a pension plan are protected from the claims of trade creditors. Also, Integris Pension Management Corp. offers tax-exempt roll-over of existing RRSP assets, which will provide further protection of all registered assets.

Features	Integris Personal Pension Plan	RRSP
Maximum Annual Contribution Limit	$33,985*	$24,930
Flexibility to Choose Contribution Options (Defined Benefit or Defined Contribution)	√	x
Fiduciary Oversight	√	x
Broader Investment Options	√	x
Robust Creditor Protection	√	x**
Tax Deductible Administration & Investment Management Fees	√	x
HST 33% Credit Refund	√	x
Deduction of Interest on Borrowing	√	x
Full Service Administration	√	x
Ability to Make Additional Tax Deductible Contributions During Market Volatility	√	x

* Increased contribution levels are dependent on age of plan holder. The example above is based on a 55-year-old individual.

** RRSP may be protected by the Insurance Act of Ontario.

Tax Deduction of Fees – The ability to deduct all investment, actuarial, administration and trustee fees related to your account from corporate income.

Mitigating Market Losses – The pension plan allows the sponsor to make additional tax-deductible contributions each year to top up your account if investments return less than expected to ensure full funding of your pension plan.

Contribution Flexibility – Integris offers a combination plan that allows you to switch between Defined Benefit and Defined Contribution components to allow for changes in the economic climate of the business.

Greater Scope for Investments – Through RBC Dominion Securities, we provide the flexibility to invest in a wide range of non-traditional investment vehicles that are otherwise not available inside of an RRSP.

How Much More Can Be Saved in a PPP?

This table show permissible contributions by age in the Personal Pension Plan (where salary is $140,000 or more):

Age	Integris	RRSP	‡ Extra contribution
40	$25,640	$24,930	$710
45	$28,165	$24,930	$3,235
50	$30,940	$24,930	$6,010
55	$33,985	$24,930	$9,055
60	$39,330	$24,930	$12,400
64	$40,245	$24,930	$15,315

These examples illustrate potential additional deductions from corporate income tax:

Fee example:
A 1.50% fee on assets under management of $500,000 would generate an annual $5,000 corporate tax deduction.

Market loss example:
If assets in a plan do not grow as expected, additional corporate tax deductions are permissible.

‡ Legal Notice: Figures are based on tax laws and actuarial standards in effect as of January 1, 2015, and are for illustrative purposes only. Individuals should consult their professional advisors as to their own circumstances.

Family Wealth Management

A recent poll conducted by the Angus Reid Forum found that just over half of Canadians expect to provide an inheritance to loved ones, and of this group, over 75% have not discussed their intentions with their advisors. We want to help you with this conversation to potentially reduce probate fees and taxes, help avoid family conflicts and most importantly, to achieve your goals.

Whether you own a business or simply want to ensure the intergenerational future of your savings, we have a few tips to help you and your family:

1. Have a family meeting. Making sure your loved ones are involved in the planning process allows them to be aware of your plans and can help to identify potential conflicts over items such as the family home or cottage. It will also serve to aid your family in continuing to meet your wishes should you become unable to.

2. Prepare a family inventory. A comprehensive list of all information pertaining to your family's accounts (banking, investment, etc.), advisors, assets, pensions, and insurance and the location of your wills and Power of Attorney. An up-to-date inventory is invaluable to executors, heirs, trustees and advisors, as well as being a solid basis for financial and estate planning.

3. Prepare and Review for Financial and Estate Plans. If you have not reviewed your will within the last 5 years or would like to have a financial plan prepared or reviewed, please give us a call. Anne McDougall, our Certified Financial Planner (CFP®), would be pleased to meet with you to discuss your planning needs.

For further helpful information, please visit our website at www.cooperwealthmanagement.com and read our "Family Wealth Management" report, located under the Client Resources tab.

Thank You!

It has been our pleasure to help you with your investment needs over the years, and we'd like to take this opportunity to personally thank you for your support.

We especially want to thank those of you who have been kind enough to refer your friends and family to us. Our business is still growing and we continue to welcome the opportunity to meet new people.

Once again, thank you for your support and we look forward to serving your future investment needs.