

THE STANTON REPORT

Winter 2015

*Views and opinions for
the friends and clients
of Investment Advisor
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anywhere in North America.*

A Word from Richard

Happy New Year to all my friends and clients! I trust everyone had a chance to rest and relax over the holiday season. My family spent Christmas at my Sister's house in North Vancouver this year. We tend to be homebodies at Christmas so this trip was a big departure from the usual. My folks were there as well for the family feast. It was a good visit with everyone and I always enjoy visiting with my sister. With the holiday over our girls are back at school and all their extracurricular activities have started again so the taxi service of Mum and Dad is up and running for another shift!

Goal setting is a tool I have always used. I believe it keeps me on track with my business and personal vision. Ringing in the New Year always gets Laura and I discussing our goals for the short and long term. We have a big year coming up on a personal note. We are going to build a house. We have arranged a builder and are making plans as we speak. Talking about doing some small fix it jobs at our current house and making decisions on the new house is starting to take up a large amount of our time. We are excited for this year and by the writing of the spring newsletter we will hopefully have broken ground. We'll keep you posted on that.

As always, I am available to assist and discuss all of your investment goals and objectives for the coming year. Give Tracy a call or send her an email if you want to set up an appointment either in person or via telephone.

Here's what happened in 2014;

- › **S&P/TSX Composite Index 10.5%**
- › **Dow Jones Industrial Average 10%**
- › **MSCI World Index 5.6%**
- › **Crude Oil -45.9%**
- › **Natural Gas -31.7%**
- › **Gold -1.7%**
- › **Silver -19.3%**



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THE BIG SQUEEZE: THE IMPORTANCE OF ELDER CARE

Planning in Today's World

By Liz Horn

A recent Ipsos-Reid report found that most older Canadians are lacking confidence in the health care system's ability to provide for seniors in the future. With an aging population, strained government finances and stressed family caregivers, the need to plan for elder care has never been greater.

The Ipsos-Reid report, produced by the Canadian Medical Association, indicates that the majority of older Canadians are concerned about the quality of health care they can expect in the future (81%) and about having access to high quality home care and long-term care in their retirement years (78%). In addition, the majority of older Canadians lack confidence that hospitals and long-term care facilities can handle the needs of Canada's elderly population (61%), or that there are enough services to help Canadian seniors live at home longer (60%).

DEMOGRAPHIC SHIFT PUTS PRESSURE ON HEALTH CARE SYSTEM

As our population ages, how will the health care system cope with the increasing demand? By 2036, seniors will outnumber children, according to Statistics Canada. This demographic shift probably doesn't come as a surprise given all the media attention it receives. Of course, many of us are already experiencing this "aging" thing, so it certainly comes as no surprise to us.

When one contemplates finances during retirement, the survey also found that older Canadians are concerned about their financial situation in retirement (64%), and particularly their ability to afford health care expenses in the future (72%), uninsured services (70%) and long-term care (74%). Those survey results seem to indicate that people recognize that the government may not be there to the degree that is desirable, and that the burden of paying for care will have to be largely shouldered by individuals.

The survey also revealed that caregivers are feeling the burden of providing care. Over a quarter of Canadians indicate they participate in providing care to an aging relative or friend, and they are feeling that burden of responsibility. Seventy-one percent indicate that providing care conflicts with other personal and work responsibilities, and 64% are highly stressed as caregivers.

UNEXPECTED COSTS MAY DEplete SAVINGS

Expenses related to long-term care that arise later in life can quickly deplete retirement savings. The insurance industry has long been working with financial experts and the federal government to develop options to further enable the preparedness and independence of Canada's aging citizens. Ongoing education is required for Canadians to help them recognize what is covered by the government, but more importantly, what is not. Long-term care is not included in the Canada Health Act and, therefore, is not available to Canadians on a universal basis. Most programs vary greatly by jurisdiction and are often income-based. In the majority of cases, Canadians will be largely responsible for the cost of their long-term care needs.

FUNDING YOUR CARE NEEDS

This begs the question of how we can be prepared to deal with care for our loved ones or for ourselves. While these are things we would simply rather not think about, being stricken with a major illness or chronic disease that results in losing our independence can put us into crisis mode. It makes sense to consider one's needs before a crisis strikes.

LONG-TERM CARE INSURANCE

Long-term care insurance is relatively new in the Canadian landscape. It's designed to provide an income stream to help the insured person pay for long-term care. Up to \$9,200 a month can be purchased while an individual is healthy, and can be used to pay for things like private home care, medical supplies, institutional care, adaptive devices, physiotherapy, a family member providing care, etc.

Most people want to remain in their homes as long as possible. Home care can be costly. To fund it, you may need to tap into funds earmarked for other purposes, such as your retirement or your estate, or sell assets you would rather not sell. Long-term care insurance provides an alternative solution to funding long-term care needs. A policy can finance, in whole or in part, the kind of care desired when you (or a family member) become dependent on others for personal care.

Liz Horn is a Program Manager with RBC Wealth Management Financial Services.

SUCCEEDING IN SUCCESSION

A guide to keeping family harmony through your business transition

You own a business. You've worked hard to get it to where it is today. One day – whether in one year, 10 years, when you pass away, or at some other time – someone else will run this business. If you'd like to decide in advance who that "someone else" will be, you need a succession plan.

If you don't have such a plan, you're not alone. Many business owners don't adequately plan their succession, if at all. There are many reasons for this complacency – from their reluctance to "let go," to fear of creating family disharmony.

Ironically, the best time to create a succession plan is when you're too busy managing your growing business. Planning a business exit can be emotional – there are often personal and family dynamics that may conflict with a business' well-being. For this and other practical reasons, planning an exit requires an owner to think strategically, preferably with a professional's help.

The purpose of this type of planning is to create a clear exit path that is simple yet effective in meeting personal and business goals while preserving family harmony during what is often an emotional and conflict-triggering process.

No two families are the same, and a plan has to address a family's unique situation. While this is true, proper planning

strategies make the process significantly more effective.

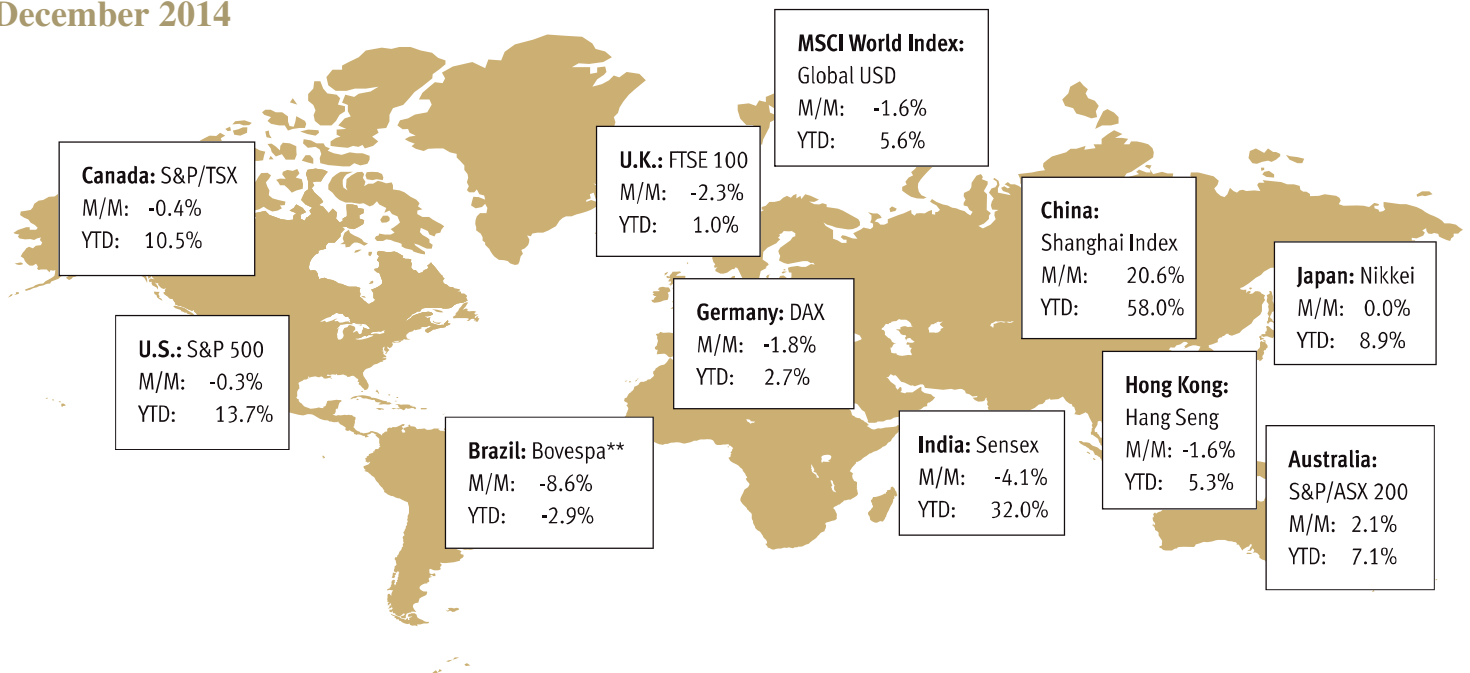
RBC has created a guide that covers many of these strategies that use simple concepts to aid with the understanding of the process. The first issue families struggle with most is whether they should pass on the family business to their children. Families will frequently defer making a decision because of the fear of making the wrong decision. Another issue is the fear of conflict. While we generally dislike conflict, some conflict can be healthy if managed – as the saying goes, a broken bone is stronger after it heals.

Succeeding in Succession outlines tools and ideas to help manage and/or avoid unnecessary and damaging conflicts when planning a material change in the family business such as succession. Proper planning of this type takes time, sometimes several years. Protecting business continuity during this critical planning period (often referred to as "contingency planning") is therefore timely and is addressed in the report, as is a framework to start your planning and to stay in control of it.

Get in touch with Louise at louise.fry@rbc.com or 604-665-3102 for a copy of *Succeeding in Succession*.

World Markets

December 2014



All returns are on a total return basis unless otherwise noted
All returns calculated in local currency except for MSCI World
** These indices are calculated on a price return basis
Source: Bloomberg

Protecting Your Privacy and Security with DS Online

We work diligently to maintain to the highest possible standards for our online security. We use advanced technology and follow rigorous security practices to prevent your information from unauthorized access, disclosure, alteration or misuse, including:

- Robust and multi-layered security of servers and applications.
- Multiple layers of internal and external firewalls that protect our online environment.
- Industry-standard encryption to protect the information you send or receive from our secure site. This step encodes the information that flows between your computer and our computer systems, making it difficult for unauthorized individuals to intercept, read or alter your online communications and transactions.
- Personal verification questions add an extra layer of security when signing in. Since you set them up yourself, they are unique and are not accessible to anyone else, including employees of RBC Dominion Securities.
- Automatic session terminations when extended inactivity is detected. This helps to protect your accounts if you are called away from your computer without an opportunity to log out.

Protecting your information and ensuring the security of your transactions are among our highest priorities. But you can maximize your own online privacy and security by being informed, which is often the best defence against fraud. Here are a few things you can do:

- Be aware of schemes that ask for personal or financial information. Do not respond to unsolicited requests for confidential information.
- Maintain a suite of security software products. This should include a reputable personal firewall, antivirus, anti-spam and anti-spyware, all necessary to provide online protection for your computer and your information.
- Sign out and close your Internet browser at the end of each session.
- Keep your passwords for DS Online, RBC Online Banking and other RBC online services and personal verification questions (and answers) strictly confidential.

Contact us immediately if you know or suspect that your password has become known to someone else, or if there has been suspicious activity in your account that you did not authorize. You can also reach the DS Online helpdesk at 1-800-769-2555. Representatives are available 24 hours a day, seven days a week.

In Brief

New TFSA Contribution Room for 2015

You can now contribute another \$5,500 to your tax free Savings Account (TFSA) Effective January 1, 2015. If you haven't contributed to the TFSA yet, you may be able to contribute up to \$36,500 in total to benefit from tax-free growth.

RRSP Contribution deadline on March 2

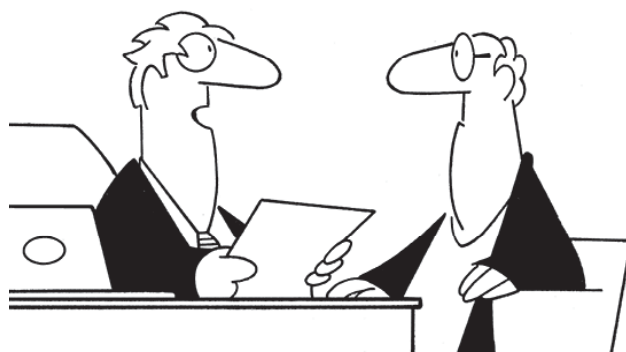
Please contact your Investment Advisor before the deadline to make any Registered Retirement Savings Plan (RRSP) contributions for the 2014 tax year

Investment Income Tax Slips

Starting in mid-February, T5 income-related slips and material will be mailed. All other tax slips will be mailed from February to early April, dependant on the release of tax information by external parties. Please make sure you receive all outstanding tax slips before filing your income taxes. Visit www.rbcds.com to view our tax reporting guide

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INVESTMENTS AND RETIREMENT PLANNING



"Good news — you can't afford to be old, so that means you're still young!"

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