FALL 2013

THE Stanton Report

Views and opinions for the friends and clients of Investment Advisor Richard Stanton

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If you know anyone who would like to receive a copy of this newsletter or be added to our mailing list, please contact Tracy Dykens at (250) 847-6680. Please contact Tracy if you would like secure internet access to your accounts. Use our toll-free number from anywhere in North America.

A Word from Richard

Fall is in the air! With the crisp dew filled morning and the steam rolling off the river valley, summer is now a distant memory. I think we can all admit to having a record-breaking summer full of sunshine and hot temperatures; and our blue-sky filled fall has not been too hard to take either.

With fall comes back to school and routine for our family. Olivia started high school this September. It was a bit of an adjustment but with her calm demeanor and mellow attitude, she has adjusted just fine. She has added after school sports to her list of activities so she is busier than ever. She is enjoying rugby and volleyball and has already played in a tournament for each sport. For Jenelle, dance is still #1 and she is taking six different classes this year and is going to a couple of dance competitions in the New Year… busy, happy girls…

Laura and I recently attended the Bulkley Valley Health Care and Hospital Foundation Fund raising Gala. It was a fun evening with live and silent auctions, a guest speaker and great food. What an event to raise awareness and money for the Foundation. I look forward to watching the Foundation closely to see how the funds are spent within our community on health care efforts and new equipment for the hospital.

Thanksgiving is just around the corner so I would like to wish you all a great holiday filled with family, friends and good food to warm your bellies.

If you have any questions regarding your portfolio or if you simple want to discuss 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 is what happened year-to-date:

- **S&P/TSX Composite Index 5.3%**
- **Dow Jones Industrial Average 15.5%**
- **MSCI World Index 22%**
- **Crude Oil 9.4%**
- **Natural Gas -5.2**
- **Gold -20.7%**
- **Silver -28.5%**
- **Copper -7.9%**

Blazing The Trail To Your Retirement Dreams

Baby Boomers Are Redefining Retirement

When baby boomers reach the golden age of 65, they may not necessarily pack up their desks and enjoy quiet retirement lifestyles like their parents did. If their influence on social revolutions in the past is any indication, chances are that baby boomers are going to enjoy retirement differently.

If you're part of this influential group that is redefining retirement, you'll also need to redefine how you plan for this exciting new chapter of your life.

Different Retirement Lifestyles

Characteristically, baby boomers have enjoyed higher standards of living than their parents. In addition, healthier lifestyles and medical advances are leading to longer life expectancies. All these factors indicate that this generation will be looking to enjoy higher standards of retirement as well. Achieving this involves careful planning so that your savings are able to provide adequate income for you to enjoy the rest of your life on your terms.

Times Have Changed—And So Has The Retirement Age

Unlike their parents, baby boomers may not necessarily be working towards the goal of retirement. Many individuals have found fulfilling careers they want to continue developing past the age of 65. Some are even planning on starting a second career after "retirement."

Retiring later may mean you may be able to wait longer before transitioning to strategies that protect your nest egg. On the other hand, if your dream is pursuing a new passion or to start a small business after you "retire," you may need to save additional funds in order to avoid financial stress.

To Longevity And Good Health

Living longer ultimately means very little without your health. With longer life expectancies and medical advances that allow people to recover from serious illnesses, you also need to think about building health care costs into your retirement savings plan. By planning for these expenses, such as in-home care and specialized treatments, ahead of time by purchasing critical illness, disability and long-term care insurance, you and your family will be able to focus on your health, and not the impact recovery has on your savings.

Charitable Giving

For a lot of boomers, writing a cheque to save taxes just isn't enough. Many have special causes that they are passionate about. If charitable giving through time or funds is in your retirement plans, you and your advisor can evaluate how you can balance both your retirement lifestyle and charitable giving at the same time. With sophisticated tax strategies, you may even be able to make more significant contributions to your cause.

Creating A New Family Tradition

Instead of focusing solely on their own needs, baby boomers place a great deal of emphasis on leaving a legacy and helping family members reach their goals. Through efficient tax and estate planning strategies, boomers are able to fulfill their own retirement objectives while making sure they can still leave a legacy to care for their families.

You've Seen It Before

While you've been saving for your retirement, you've experienced the ups and downs of the markets and seen generous and all-time low interest rates. After you stop working, the markets and interest rates will continue to change. With the many different demands on your retirement income, planning ahead and planning with smart strategies is important in order for you to achieve your objectives and still be prepared for economic swings.

Building your Family's Wealth Using the "Third Pool of Wealth"

Life insurance provides protection for you and your family in the event of death, but have you considered that life insurance can be another "pool of wealth" within your overall portfolio?

We all have the same traditional pools of capital, within which to accumulate and invest our wealth and draw income- pension, registered (RRSPs, TFSAs, etc.) and nonregistered assets. Within the non-registered option there are such vehicles as equities, fixed income and mutual funds.

Proper diversification and consideration of your wealth may help you achieve your lifestyle needs/bequests and philanthropic planning desires in a tax-efficient manner that may ultimately enhance your overall wealth.

The income generated by your non-registered savings is taxable, typically in the same year it is earned. And while the income generated within your registered plans grows on a tax-deferred basis, once you start withdrawing income, it is taxable at your marginal rate. TFSA income, however, grows tax-free, while RRSP savings grow on a tax-deferred basis.

However, there is another pool of capital that can provide some tax benefits, such as tax-sheltered growth, tax-free income, and a tax-exempt benefit for your beneficiaries: tax-exempt life insurance. Similar to your RRSP, the contributions you make to a tax-exempt life insurance policy are limited. However, there is much more flexibility with respect to maximum deposits.

Tax-exempt life insurance is a tremendous tool for asset accumulation and wealth preservation. It can also enhance your portfolio since it adds a layer of diversification to your investments. It works by allocating deposits above the life insurance minimum premiums payable within a variety of different investments. This has the ability for tax-exempt growth over your lifetime.

Not only can tax-exempt life insurance significantly enhance the overall value of your portfolio- because the growth is not taxable- but the tax payable on your other pools of capital upon death can be paid for with your tax-free death benefit. Additionally, all proceeds are tax-free at death and go directly to your named beneficiaries.

Tax-exempt life insurance can also be used to enhance your retirement income by complementing what you've saved in your RRSP and TFSA employing a unique strategy that utilizes annual tax-free bank loans. By transferring a portion of your wealth every year into this solution, you not only gain access to a tax shelter, you purchase an immediate and significant benefit for your estate (the insurance coverage) and continue to maintain some degree of liquidity.

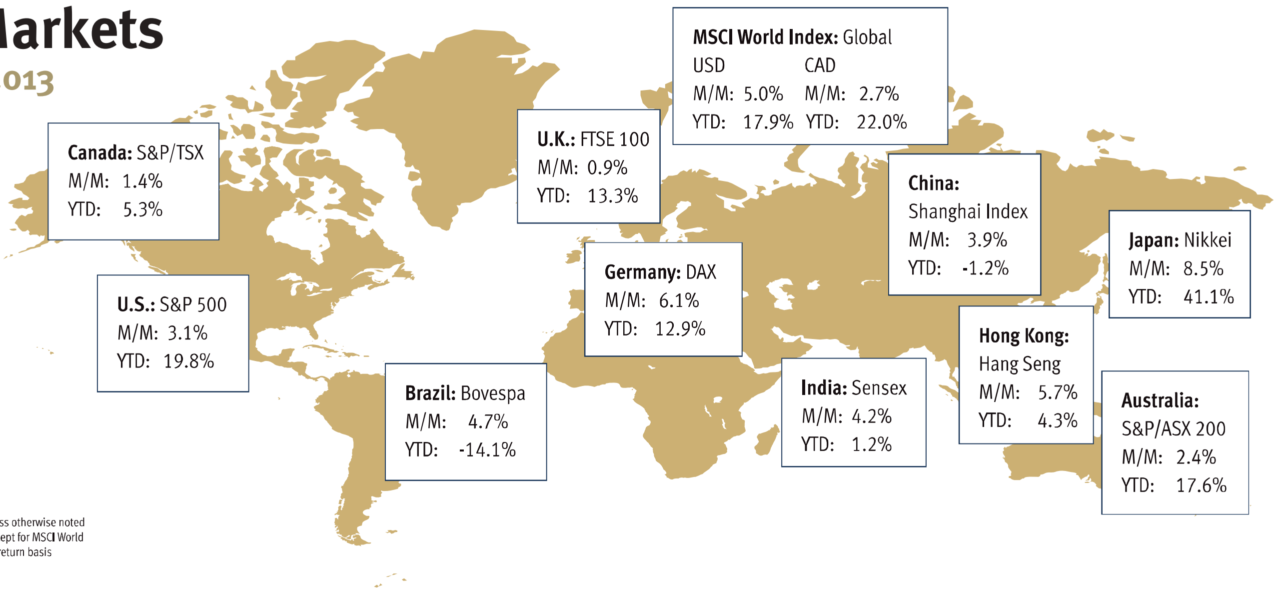
In the event of your death, the bank loan is paid from your policy and the remainder of the funds from the insurance policy is paid tax-free to your named beneficiaries.

By reallocating assets, you may enhance your ability to create additional capital. The net results are usually significantly greater than what is achievable from a typical non-registered portfolio.

To learn more, contact Tracy at 250-847-6666 or tracy.dykens@rbc.com

World Markets

September 2013



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

This year the Smithers Charity Golf Tournament raised approximately $80,000. We would like to thank the fans, golfers, celebrities and the volunteers who made this happen.

Taking Kids to Money School

Strong money management skills will serve children well in any career

As anyone who's visited a toy store with a child or grandchild knows, kids understand the concept of spending money at an early age. What children don't always learn is how to save and spend wisely. Here are some of the saving and investing basics your children or grandchildren can enjoy learning. They can practice these skills every day, no matter how young they are. Paying your children an allowance is a good way for them to learn the value of money. It also opens the door to a discussion about the essentials of financial planning, such as banking, saving and spending.

Many parents pay an allowance based on a child's age. For example, a 12 year old might receive $12 a week. Encourage your children to put aside a portion of any money they receive. They will learn quickly that spending their hard-earned money on an inexpensive toy might mean they can't afford to buy a more expensive video game later.

One way you can allocate a child's allowance is to divide it into three pools—one for spending, another for saving and a third for sharing with charities. This helps children not only understand the value of budgeting and saving, but also helps them develop a sense of social responsibility by giving to charitable causes.

With older children, you can lay the groundwork for their retirement savings by helping them file an income tax return once they start earning money. They usually won't owe any taxes, but filing a return reporting employment income for that year will generate contribution room for a Registered Retirement Savings Plan (RRSP). This contribution room can be carried forward until they have enough money to make contributions and can take advantage of the tax deductions.

"ROTFLMAO — rolling on the floor liquidating my assets off."

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