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

Summer is finally here and everyone in the Stanton household gets to have some R&R. It's always great for the girls to get abreak from school and their activities. The end of the year can get pretty crazy, with year end wrap up parties, awards ceremonies and concerts. Although it's always the adults that complain I think it's harder on the kids. They're pretty tired by the end of June. With that said, both girls received excellent report cards. They are excited to spend a few weeks with Mum and Dad relaxing in the sun, then off camping with the grandparents for a week. We have a couple of small camping trips planned and the girls have some summer camps and that's pretty much our summer.

Smithers is turning 100 this year and we are all looking forward to The Smithers Centennial Celebrations in the early part of August. If you are a resident (or even if you're not) of Smithers make sure you check out the festivities happening around town. Check out the picture on page 4 of the new Rotary Park at the beginning of Main Street that our club built. One of many projects around town we are proud to have been a part of. If you have any questions regarding your portfolio or if you simply 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's what happened year-to-date;

- **S&P/TSX Composite Index -.9%**
- **Dow Jones Industrial Average 14.4%**
- **MSCI World Index 15.1%**
- **Crude Oil 8%**
- **Natural Gas 2.7%**
- **Gold -25.2%**
- **Silver -34.7**
- **Copper -12.5%**

Consolidation of assets

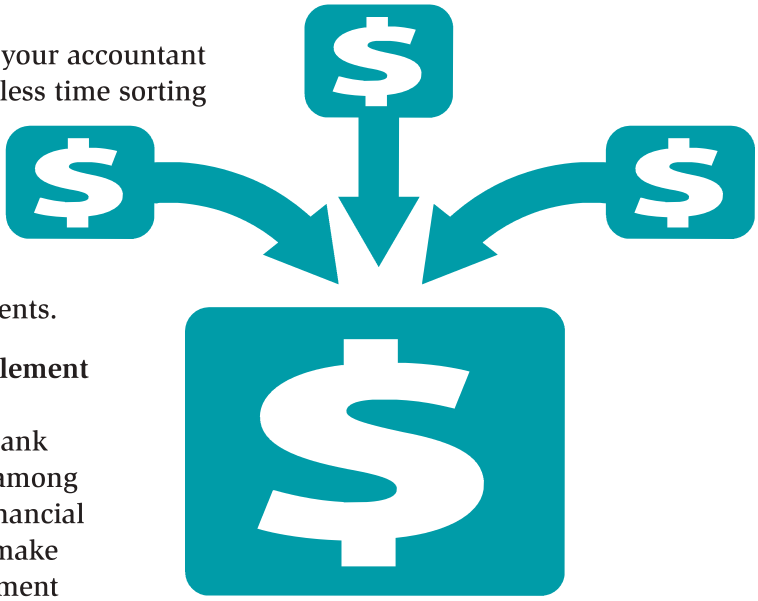
Many wealthy investors open multiple accounts of the same type, with different financial institutions and different advisors, either because it simply happened this way over time or because they believe it to be an effective way to diversify.

Diversification is one of the golden rules of investing to reduce risk and boost your return potential over time. But diversification is really about how you invest your money—not where you keep it. Investing through multiple accounts and multiple advisors instead of consolidating your assets with one trusted advisor may impede proper diversification and potentially expose you to greater risk.

The benefits of consolidating your assets with one advisor:

Reduced costs. By consolidating your investable assets with one trusted advisor, you will typically pay lower fees, assuming the fees are based on a sliding scale as they are with many investment accounts and programs. By spreading your investments among multiple advisors and multiple financial institutions, you lose these economies of scale.

Simplified administration and consolidated reporting. With consolidation, you bring together all your investment accounts with one advisor, which makes it much easier to keep track of your investments and their overall performance. The paper statements you receive in the mail are minimized and the tax reporting related to your investment income and dispositions becomes easier to manage and more accurate. Your tax preparation fees may also be reduced since your accountant will be spending less time sorting through all the statements and determining the average cost base of identical investments.



Easier estate settlement process. Having investment and bank accounts spread among many different financial institutions will make your estate settlement process administratively more difficult for your executor/liquidator and potentially more costly. By consolidating assets, you have peace of mind knowing that after you pass away, your surviving spouse or other beneficiaries will have one point of contact that you trust who will manage their overall assets to ensure they have adequate income.

More efficient retirement income planning. Consolidation also enables you to manage your investments more effectively, helping you structure your investments to generate the retirement income you need. In retirement, you will have many different income sources, such as government pensions, employer pensions, Locked-in Retirement Savings Plans, Registered Retirement Income Funds, non-registered income and part-time employment income. If you have one trusted advisor managing your investments, it's easier for that advisor to determine how and in what order you should be withdrawing from all the different income sources to maximize your after-tax retirement income.

Diversifying by advisor. Sometimes, investors decide against consolidating their assets with one advisor, thinking that they can "diversify by advisor." This is particularly true of investors with portfolios of $1 million or more. The idea is that if one advisor doesn't do well, the other might. Unfortunately, this is a myth. By dividing your investments among multiple advisors, you actually make it more difficult to properly manage your investments. Since each of the advisors doesn't know what the others are doing, it often results in over-diversification, conflicting advice and needless duplication of your investments. Furthermore, it's difficult to know how your investments are performing overall by having your assets spread among more than one advisor. A better option is to consider consolidating your assets with one knowledgeable advisor who can provide you with a properly coordinated financial strategy.

New TFSA Contribution Limit for 2013

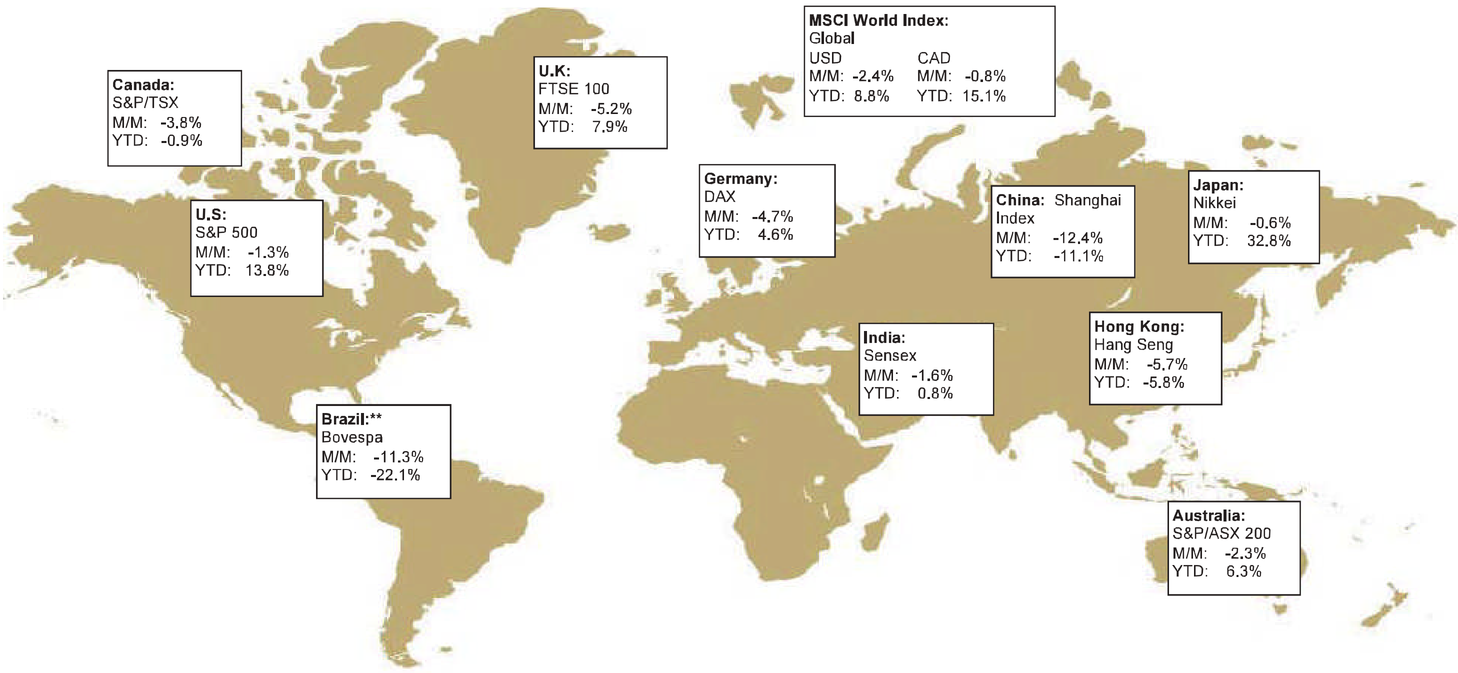
You can now make your Tax-Free Savings Account (TFSA) contribution for 2013 (up to $5,500). If you haven't opened your TFSA yet, you can also make your 2009-2012 contributions, up to $5,000 a year, for a total contribution of $25,500. Introduced in January 2009, the TFSA enables you to earn tax-free investment income, including interest, capital gains and dividends, which results in greater growth compared to a regular taxable account. You can make tax-free withdrawals any time, for any reason, and any amount you withdraw is added back to your available contribution room the following year.

A TFSA is also a great way for you to reduce your family's overall tax bill. Your spouse and any adult children (aged 18 +) can each contribute up to $5,500 to their own TFSA in 2013, even if they don't have any earned income. If your family members have not yet opened up a TFSA, we can advise how much contribution room they have available.

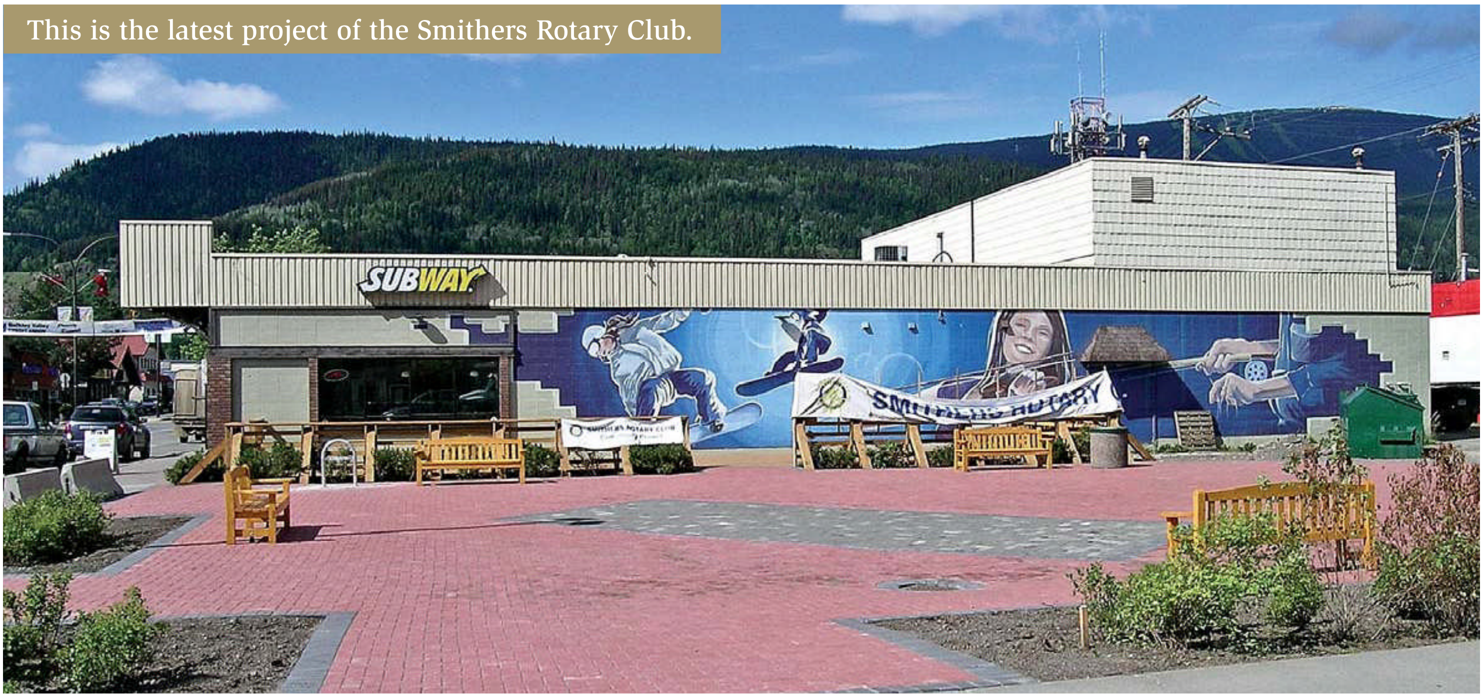
To make your TFSA contribution, or if you have any questions, please contact Tracy at 250-847-6680 or e-mail her at tracy.dykens@rbc.com. We would also be pleased to assist your family members with their TFSA contributions.

World Markets – June 2013

Global indices were down across the board in June. The MSCI World Index returned 2.4% for the month and is up 8.8% year-to-date.



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 is the latest project of the Smithers Rotary Club.

KEEP TRACK OF YOUR INVESTMENT ACCOUNTS ON YOUR iPHONE OR iPOD TOUCH

Easily view and monitor your RBC Dominion Securities accounts—wherever, whenever—with the RBC Mobile App. The same App that lets you access your RBC Royal Bank accounts now lets you access DS Online from your iPhone or iPod touch.

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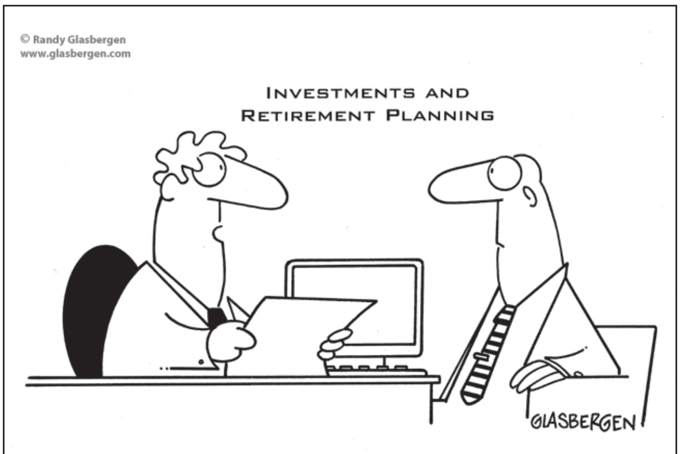
For more information, go to www.rbc.com/rbcmobile/dominionsecurities.html for the demo. You can take the next step and download the RBC Mobile App for iPhone today!



"If you work hard and invest wisely, you can afford to turn 65 on your 80th birthday."

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