

THE Stanton Report

*Views and opinions for
the friends and clients
of Investment Advisor
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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

Hopefully everyone had a good Thanksgiving with a belly full of turkey, the company of family and friends, and is enjoying the extended summer. Markets have been enjoying the summer as well - since June 1 the MSCI World Index has rallied 13.7% and in Canada the TSX is up 8.42%! Historically, October has been a poor month in the market and is a particularly bad month to speculate... the other bad months to speculate are March, July, May, January, November, April, August, June, September, December and February.

The kids are back in school and after school activities are in full swing. Olivia has entered grade 7 and Jenelle grade 4. They are enrolled in their usual activities, piano, dance, and karate. Olivia will soon be a black belt in karate so we are all treading carefully so as to avoid any injury... Jenelle has taken quite an interest in dance and wants to take every class available to her. Both kids are fun to be around and Laura and I are trying to enjoy every minute. Before we know it, they will be venturing out on their own

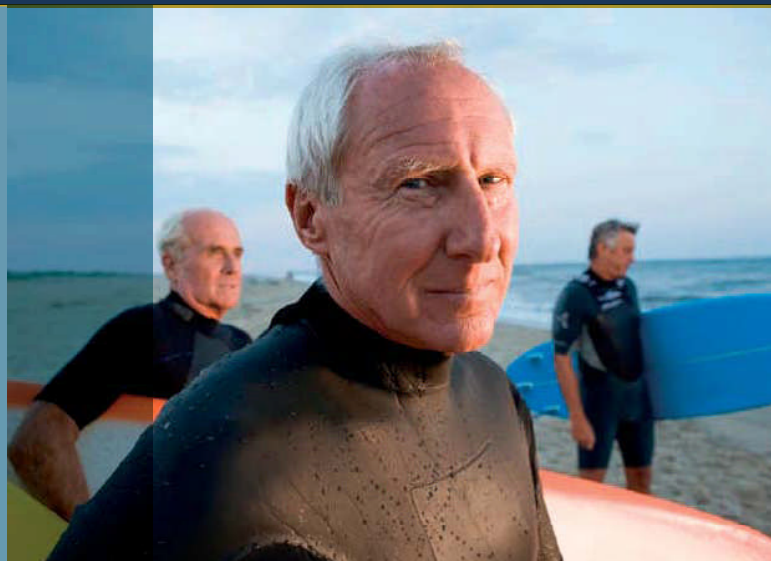
If you have any questions regarding your portfolio or if you simply want to discuss your investment goals and objectives for the coming year give tracy a call or send her an email if you want to set up an appointment either in person or via telephone.

Here's what has happened so far in 2012:

- › S&P/TSX Composite Index 3%
- › Dow Jones Industrial Average 10%
- › MSCI World Index 7.4%
- › Crude Oil -6.3%
- › Natural Gas -4.5%
- › Gold 13.4
- › Silver 24.1%
- › Copper 7.8%

Your financial “bucket list”

Following are seven practical items you should consider to protect your family's financial security, reduce taxes, preserve the value of your estate and create a lasting legacy.



1. Keep your Will current

It almost goes without saying that you need a Will to ensure that your estate is settled according to your wishes in a timely, efficient manner. While most people have a Will, it's often filed away and gathering dust.

It's a good idea to periodically review your Will with your legal advisor. You should also make a point of reviewing your Will whenever there's a major change in your individual circumstances, such as the birth of a child or grandchild, a change in marital status or a death in the family.

2. Consider whether you need trusts

There are two types of trusts – living and testamentary – t

lished in your Will, a testamentary trust comes into effect when your estate is settled. It enables you to provide financial assistance to your beneficiaries through a trust managed by a trustee named in your Will. You can create a testamentary trust to support minor children, disabled children, or adult children who may have problems managing money on their own.

A testamentary trust may provide other potential benefits to your beneficiaries, such as reducing taxes through income-splitting and protecting assets from a divorce settlement.

A living trust provides many of the same advantages as a testamentary trust, except it is established during your lifetime.

3. Review your Power of Attorney

While you're updating your Will, you should also update your Power of Attorney with your legal advisor to ensure consistency between these two key estate-planning documents. A Power of Attorney enables a trusted individual to manage your financial affairs, including your bank accounts, investment portfolios and retirement plans, if you are unable to manage them yourself due to physical or mental incapacity. You can also give your attorney the power to make decisions about your personal care and health care if you are unable.

4. Ensure you have sufficient living benefits insurance

When planning for potential incapacity, you should also look at your living benefits insurance coverage. There are three main types of living benefits insurance: disability, critical illness and long term care insurance.

- Disability insurance helps replace income if you are unable to work.
- Critical illness provides a lump sum payment if you suffer a severe accident causing paralysis or coma, or if you are diagnosed with a serious illness such as cancer, heart disease or Alzheimer's.
- Long term care insurance helps pay for home care assistance or facility care.

Bear in mind that insurance premiums tend to go up with age. If you wait until you experience health issues, you may be uninsurable or the insurance premiums may be prohibitive.

Ask your life-licensed In
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Continued on page 3

Continued from page 2

5. Use insurance to cover estate-related taxes

As Benjamin Franklin famously wrote, nothing's certain in this world except death and taxes. Unfortunately, death and taxes often go together. When your estate is settled, your beneficiaries will have to pay taxes on everything from your remaining registered plan balances to capital gains on your investments and recreational property such as your cottage. If you own U.S. property or assets, you may also be subject to U.S. Estate Tax.

Special "tax protection" insurance can be a cost-effective way to address these potential tax liabilities, enabling you to preserve the value of your estate for your beneficiaries.

Ask your life-licensed Investment Advisor for more information about tax protection insurance.

6. Ensure adequate life insurance coverage

While on the subject of insurance, make sure every adult in your family has adequate basic life insurance coverage. Again, the earlier you consider insurance, the better, as insurance premiums tend to be lower for those younger and in better health. You can also deposit assets to a tax-exempt life insurance policy, where they can grow tax-free. This way, when your estate is settled, your beneficiaries receive both the insurance benefit plus the asset growth as an enhanced tax-free benefit.

7. Designate a beneficiary for your registered plans

By designating a beneficiary for your Registered Retirement Savings Plan (RRSP) or Registered Retirement Income Fund (RRIF), you can potentially reduce taxes. If you designate your spouse, your RRSP/RRIF can roll over to your spouse's RRSP/RRIF free of probate or other taxes when you pass away. Outside Quebec, you can simply designate your spouse or common-law partner as your beneficiary directly on your RRSP/RRIF. In Quebec, you have to make this designation in your Will.

In all provinces except Quebec, you can also designate financially dependent children or grandchildren as RRSP/RRIF beneficiaries. When your estate is settled, the value of your RRSP/RRIF assets can either be taxed in the hands of your financially dependent child or grandchild, or on your final income tax return. This can potentially reduce taxes as your financially dependent child or grandchild would likely be in a lower tax bracket.

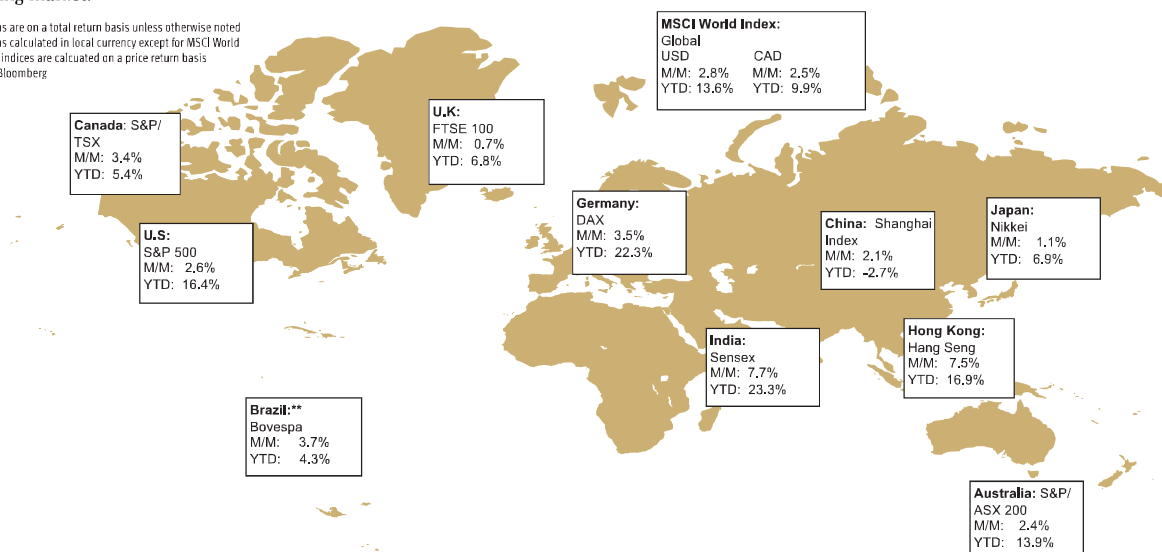
To review or update your RRSP/RRIF beneficiary designation, please speak with your Investment Advisor

For more information, please contact your Investment Advisor.

World Markets – September 2012

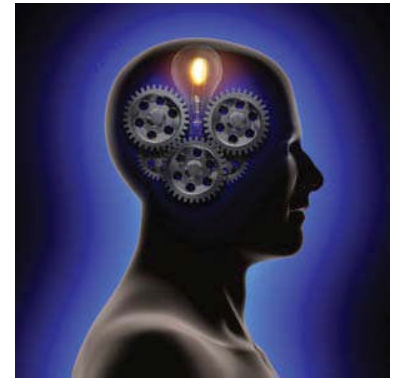
Markets rallied across most of the world in June. In the U.S., a month of weak jobs data was offset by encouraging numbers in the housing market and improving sentiment towards progress on Europe's debt crisis. European markets rallied amid political developments in Greece as the country's pro-bailout party was elected and proceeded to form a coalition government, easing concerns over a Greek exit from the euro zone. In Asia, the Japanese markets staged a strong recovery due to the improving situation in Europe while China underperformed due to weak economic data and a continued slowdown in the housing market.

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



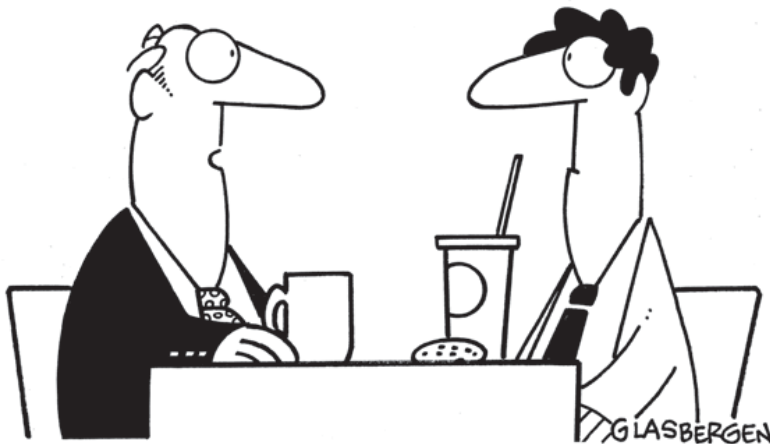
BRAIN TEASERS

1. What gets wetter and wetter the more it dries?
2. You throw away the outside and cook the inside. Then you eat the outside and throw away the inside. What did you eat?
3. What goes up and down the stairs without moving?
4. What can you catch but not throw?
5. What can run but never walks, has a mouth but never speaks, has a head but never weeps, and has a bed but never sleeps?
6. I am weightless, but you can see me. Put me in a bucket, and I'll make it lighter. What am I?
7. What goes around the world but stays in a corner?
8. I have holes in my top and bottom, my left and right, and in the middle. But I still hold water. What am I?
9. Give me food, and I will live; give me water and I will die. What am I?
10. The man who invented it doesn't want it. The man who bought it doesn't need it. The man who needs it doesn't know it. What is it?



Answers

1. A towel
2. An ear of corn
3. A rug
4. A cold
5. A river
6. A hole
7. A stamp
8. A sponge
9. Fire
10. A coffin



"I'm worried about my investments. My broker has stopped quoting Warren Buffett and started quoting Jimmy Buffet."

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