



**RBC
Dominion
Securities**

THE Stanton

REPORT

Views & Opinions For The Clients & Friends
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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 **Shauna Peterson** at (250) 847-6680. Please contact Shauna Peterson if you would like secure internet access to your accounts. Use our toll free number 1-888-834-3311 from anywhere in North America.

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Summer 2006

A Word From Richard

Summer is officially here and the weather has been great so far. I've been golfing and spending a fair amount of time out at the course. It's such a great stress reliever... Not! It's those great shots that keep you coming back for more punishment, however, and my game is slowly improving. Laura and I have entered our first Mr. And Mrs. Tournament. I'm not sure what we're getting ourselves into, all I know is we're part of the entertainment! We've been told it's a really fun tournament and are looking forward to the weekend events.

In early May, Laura and I went to Omaha, Nebraska to the Berkshire AGM again. It's always an exciting, informative event. Warren Buffett is an inspirational speaker. He's very grass roots and simple and his investment philosophy is continually inspiring.

Renewing my insurance licence has been quite an experience over the last year. They have made the process much more involved than I remember. I have passed all the exams I need to and at the time of this writing have applied to the Insurance Council of BC for my licence. So over the next quarter I will be researching the insurance products RBC offers and by the fall should be able to offer all my clients insurance services along with their investment services.

We just received new phones in our office over the last month and what a relief. We were having quite a time

with our old phones. Missing calls and the ability to only take one call at a time was taking its toll on Shauna as well as myself. There's no problem with that anymore with the new phone system. We're fully trained and the new phones are working great.

The kids are doing great and enjoying the summer with nothing to do but play. Olivia tested the waters with soccer in June and by the end was really enjoying herself. We have also just started her with a few golf lessons and she seems to be enjoying that as well. We are attempting to get Jenelle on a bicycle with training wheels this summer instead of her trusty tricycle. We'll keep you posted...

LOOKING BACK ON THE SECOND QUARTER OF 2006 HERE ARE FEW OF THE HIGHLIGHTS:

- The **GST** was lowered from 7% to 6% on July 1.
- Canada's **jobless rate** fell to 6.1% in June—the lowest since December 1974.
- Canadian existing **home sales** rose 2.4% in May, and prices for the average home rose over \$300,000 for the first time.
- Canada's **CPI** for May rose 2.8%, up 1.6% from a year earlier due to rising gas prices.
- Due to strong commodity prices and exports, the **Canadian dollar** reached its highest level in 28 years

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at 91.36 cents USD.

- Intermediate **crude oil** topped \$75 a barrel over the last quarter.
- The **Federal Reserve** boosted its key interest rate on June 29th for the 17th straight meeting since June 2004, bringing its target federal funds rate from a four-decade low of 1% to 5.25%—the highest level since march 2001. The vote was unanimous. US stock markets had their best one-day gain in three years after the central bank's statement renewed hopes that inflation would be contained without higher rates or a collapse in growth; but economists warned that it's too early for the Fed to declare victory over inflation.
- **Warren Buffett** made the world's biggest-ever philanthropic donation by pledging to give away \$37 billion, the bulk of which will go to the Bill &

Melinda Gates Foundation.

- China's **industrial production** rose by 17.9% in the year prior to May, showing signs of an overheated economy.
- British **interest rates** may stay at 4.5% for a period of time as announced by the **Bank of England**.
- After peaking on May 12th to \$725 USD, **gold** declines to \$613.50 at the end of June.
- **Toyota** reported a record net profit of \$12.1B for the year ending March 31, Japan's largest car maker has seen sales of its vehicle rise in every region of the world, except Japan.

My quarterly travel/meeting schedule appears on Page 3. If you haven't booked a review and would like one, please call the office at 1.888.834.3311.

I am looking forward to meeting with you over the next quarter.

Thanks for reading,

GREAT GRAPES — AN INTRODUCTION TO WINE VARIETALS

CHARDONNAY

Despite its popular appeal, Chardonnay is in fact a grape with a noble pedigree. It is, after all, a key grape in the production of Champagne. Given both its adaptability to a range of climates and its popularity, Chardonnay can be found in almost every wine-producing country in the world. It is characterized by fruity aromas ranging from apple to tropical fruit – depending upon the region and climate it's grown in. Chardonnay generally has medium to high acidity, is rich and full-bodied, and is classically dry. Because the natural flavours of Chardonnay are compatible with those of oak, it often receives some oak treatment either during or after fermentation. Those toasty, smoky, buttery flavours and aromas you notice in your favourite Chardonnay are a result of the oak, not the grape.

SAUVIGNON BLANC

It's easy to find someone who appreciates Chardonnay. But because of the grape's distinctive character, finding a proponent of Sauvignon Blanc is often a challenge. It's high in acidity, which limits its appeal to lovers of crisp wines. And its flavours tend to be suggestive of herbs or grass – definitely

an acquired taste. Depending upon the climate in which it is grown, it will also display mineral or fruity characteristics. The two classic regions in France known for Sauvignon Blanc are Bordeaux and the Loire Valley. The Bordeaux is called Bordeaux Blanc, while the Loire is called Pouilly-Fumé.

Don't confuse Pouilly-Fumé for Pouilly-Fuissé, which is a 100% Chardonnay wine from the southern most of the Mâcon district. Light- to medium-bodied and usually dry, Sauvignon Blanc is an important wine in California, northeastern Italy, New Zealand and South Africa.

PINOT NOIR

Pinot Noir is a finicky, frustrating, enigmatic and difficult grape to grow. Why bother? Because a great Pinot can be a truly magnificent wine. Pinot Noir is most often associated with the Burgundy region in France. Oregon, California and Australia also produce good Pinot, but because it's particular about the soil and climate it grows in, production is limited. It is lighter in colour than Cabernet Sauvignon or Merlot, and is relatively high in alcohol with medium- to high-acidity and medium-to-low tannin. Depending on how it's grown or vinified, its flavour and aroma may be fruity or earthy and woody.



RETIREMENT IS FOR YOU NOT YOUR MONEY



KEEP YOUR MONEY WORKING FOR YOU

Many people think that protecting their retirement nest egg in low-risk, income-generating investments is a prudent financial move. But the fact is, maintaining a portion of your portfolio in equities that have growth potential is more likely to keep your money working for you.

Statistics suggest that today's 65-year old is probably going to live another 20 to 30 years. And investing solely in safe investments may not provide the income or growth necessary to maintain your living standard for that length of time.

That's why it's important to keep your money growing by investing it, even when you've retired. It's great to be able to stop working, but your money certainly shouldn't.

WHY "SAFE" ISN'T ALWAYS SO

One of the best ways to help your savings last for the rest of your life is to keep some of your money in the equity market.

Inflation could erode the value of your retirement funds if you move all of them into conservative investments focused on income-generation. Although those investments offer greater stability than equities, they won't help you grow your savings.

The key to living a comfortable retirement lifestyle is to properly diversify your investments so you don't drain your nest egg.

WHAT ARE THE CHANCES?

Take a look at the table below. Chances are you'll live longer than you thought.

		75 10 more years	85 20 more years	95 30 more years
Male	Age 65	84.5%	56.1%	21.9%
Female	Age 65	90.7%	69.1%	31.7%
Couple	Age 65	98.5%	86.4%	46.7%

Source: Annuity 2000 basic mortality tables, projected with Scale G.

HOW LIKELY ARE YOU TO OUTLIVE YOUR MONEY?

If you don't have an adequate equity portion in your portfolio providing growth, it's quite possible that you'll outlive your money.

EVEN SMALL INCREASES CAN GO A LONG WAY

Did you know that even a 1% increase in your rate of return can make a difference of tens of thousands of dollars?

Say you have \$100,000 of RRIF assets invested in a low-risk portfolio earning a return of 7%. If you changed your investment strategy to be slightly more aggressive with additional equities, and increased your rate of return to 8%, you would earn an extra \$41,000 over 15 years.

OUT OF TOWN SCHEDULE

TERRACE /
PRINCE RUPERT /
NASS VALLEY

SEPTEMBER 11 & 12

HOUSTON /
BURNS LAKE
SEPTEMBER 15



What to Tell Your Kids About Money

– *THE 7 ESSENTIAL LESSONS*

PART II

Last issue, we started talking about the seven essential lessons to teach your kids regarding money management.

LESSON ONE: Money can be exchanged for goods or services

LESSON TWO: One should be careful with money.

This issue, we'll talk about lessons three and four.

LESSON THREE: MONEY HAS TO BE EARNED

There are many people in the world these days that don't seem to have ever learned this lesson. They sit around home and expect handouts so they can live, or turn to a life of crime to fund their existence. Be careful not to give your child money every time he or she asks, without expecting anything in return i.e. completion of household chores.

LESSON FOUR: ENCOURAGE ONE-THIRD SAVINGS, ONE-THIRD DONATIONS, ONE-THIRD SPENDING

The exact proportions in which your child divides their money are up to each individual family to decide, based on their beliefs and the needs of the child. This can quite easily be achieved by providing them with three piggy banks or moneyboxes – one for spending, one for saving & one for donating.

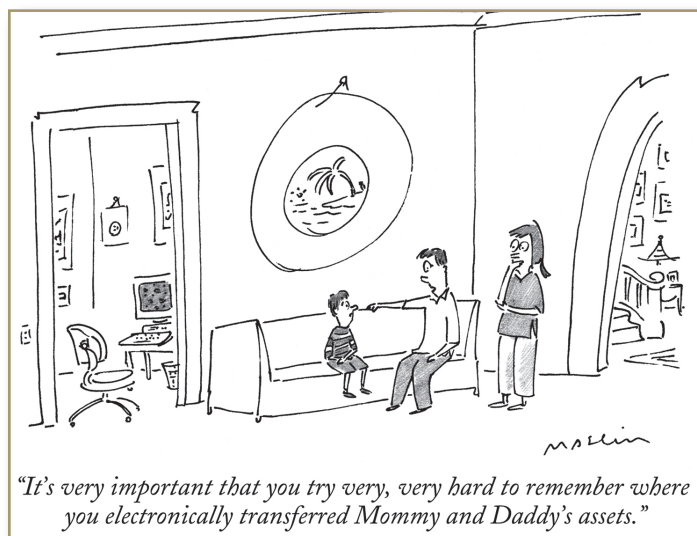
Next issue we will finish up with lessons five, six and seven.

HOLIDAY (OR ANY DAY!) SMOKED SALMON SPREAD

- 1 pkg (8 oz) cream cheese at room temperature
- 1/2 stick butter or margarine at room temperature
- 1 tablespoon horseradish
- 2 tablespoon Worcestershire
- 1/2 cup finely chopped red radishes
- 1/2 cup thinly sliced green onions
- 8 oz smoked salmon, flaked into small chunks
- celery salt to taste
- crackers
- raw vegetables

- › With electric mixer or by hand, beat the cream cheese, butter, horseradish and worcestershire until smooth
- › With a spoon, stir in radishes, green onions and salmon
- › Season to taste with celery salt or salt
- › Refrigerate 4 hours or overnight for flavors to blend
- › Bring to room temperature and stir again
- › Serve with crackers and/or vegetables

Makes approx 3 cups



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