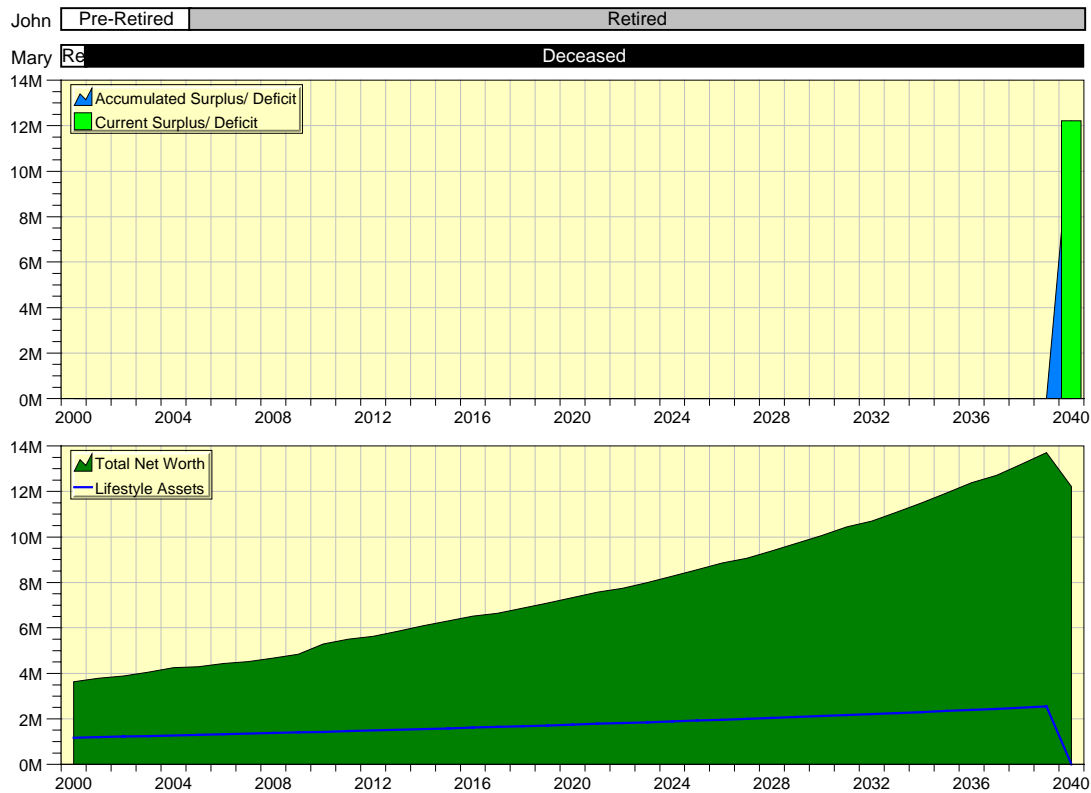


Your Estate Plan

A SNAPSHOT OF MARY’S ESTATE

This section of the estate plan provides an illustration of your estate situation assuming Mary was to die at the end of the year. This will provide an indication of the potential deficiencies that exist within your existing estate plan. How these deficiencies might be offset will be addressed later in the analysis. In preparing this illustration we have assumed that the strategies currently implemented in the retirement analysis are also applied to this analysis. The situation graphs presented below show how your resources will support your surviving family’s expenses.



If Mary were to die this year a total of \$300,000 would be paid out in existing insurance benefits.

The top graph illustrates years when your family is projected to have unallocated cashflow (i.e. after-tax dollars that are not accounted for as an expense or savings) based on the income and expense information you provided. These amounts are represented by the Current Surplus/Deficit bars. The bottom graph, the Net Worth graph (in dark green), monitors the growth (and in some cases depletion) of your assets over time. This information has been adjusted for any changes in survivor expense levels stated in your Compass questionnaire. The optimal situation occurs when your after-tax income is equal to your total expenses and annual savings each year (i.e. no unallocated cashflow) and your net worth is growing (or at least not fully depleted prior to John’s death). You will note a large Current Surplus bar in the year of the surviving spouse’s death, this illustrates the liquidation of the estate.

Our analysis indicates that Mary’s current life insurance coverage and financial resources are sufficient to provide for John’s needs in the event of Mary’s untimely death. Additional coverage may be required to address your estate preservation needs (see page 48) or if your estate objectives should change in the future.

Your Estate Plan

ESTATE NEEDS ANALYSIS

In addition to the emotional impact associated with the death of a spouse there can also be significant financial consequences due to the loss of the deceased's income. Individuals that are financially dependent upon the deceased can suffer a considerable reduction in their standard of living. One means of protecting family members from financial hardship is to purchase sufficient life insurance coverage. Life insurance can represent a simple solution to an estate deficiency as it will provide surviving family members with the capital necessary to support their lifestyle. Generally, life insurance premiums are not tax deductible but the benefit paid to the estate or a beneficiary is also not subject to tax.

This analysis includes a summary of the additional insurance necessary to offset any estate deficiency at varied points in the future. The summary has considered two potential situations -- if John was to die or Mary was to die. We have evaluated your needs approximately every five years starting from today. By looking at your estate deficiencies at varied points in the future we can determine whether your insurance needs are short- or long- term in nature and recommend the appropriate insurance coverage to meet your needs. This analysis does not attempt to preserve the full value of the estate's assets, but simply to ensure that your family is protected. Additional insurance coverage would need to be considered if it is your intent to preserve the total value of the estate's assets for your heirs (i.e. if you wish to offset any taxes owing at death with insurance).

Typically, insurance coverage will be used to fund the following types of expenses:

- Funeral expenses, probate taxes and estate taxes
- Payment of outstanding debts
- Living expenses for surviving family members
- Unforeseen expenses

Insurance can also serve to provide liquidity in the estate so that it can be effectively managed without requiring the sale of assets at an inappropriate time; to allow a smooth transition of a business interest to other parties; and to make a donation to charities.

Additional Life Insurance Required

Year	Ages	Estimated <i>Additional</i> Coverage Needed if...	
		John were to die	Mary were to die
2000	55/50	0	0
2004	59/54	0	0
2010	65/60	0	0
2014	69/64	0	0
2020	75/70	0	0
2024	79/74	0	0

Note: It is important to realize that each *cell* of this report simulates a person dying at the end of that year. The effect on the surviving person's future cash flow is then examined. Thus, each cell is independent from the others. Upon death the proceeds of your current life insurance policies are assumed to be invested into a deposit earning 7%. Funds are withdrawn from the account as needed.

According to our evaluation of your estate needs it appears that neither you nor Mary require additional insurance coverage at this time.

Your Estate Plan

TAXES UPON DEATH

The old saying that, “there are only two things in life that are certain, death and taxes” still holds true. There is no escaping tax at death, but there are ways to lessen the burden of this often unanticipated beneficiary. While there are no true “estate taxes” in Canada there are three potential taxes that may be incurred at death:

- income tax due to the deemed disposition rules;
- provincial probate taxes; and
- US Estate tax on your US assets.

Deemed Disposition

In the year of death, a final tax return must be filed by the estate’s executor that includes all income earned by the deceased up to the date of death. Also, included in income at death is the net capital gain recognized under the deemed disposition rules. The deemed disposition rules of the Income Tax Act treat all capital property owned by the deceased as if it was sold at fair market value immediately prior to death. Thus, all unrecognized capital gains and losses are triggered at that point with the net capital gain (gains less losses) included in income.

The Income Tax Act does contain provisions to defer the tax owing under the deemed disposition rules if the asset is left to the surviving spouse. This provision allows the spouse to take ownership of the asset at the deceased’s original cost. No tax is payable until either the surviving spouse sells the asset or until he/she dies. At that point, a capital gain or loss is calculated based on the asset’s fair market value and tax is paid.

RRSPs and RRIFs

In addition to the potentially significant tax liability from recognized capital gains, it is also necessary to deregister (i.e. collapse) any registered assets such as RRSPs or RRIFs at the point of death. The full value of the RRSP or RRIF must be included on the deceased’s final tax return. There are exceptions to this de-registration requirement. If the RRSP or RRIF is left to the surviving spouse, a common law spouse and under certain circumstances to a surviving financially dependent child, the RRSP or RRIF can be transferred tax free to the surviving party’s own plan.

If you intend to leave your RRSP or RRIF to your spouse, ensure that your spouse is the named beneficiary on the account in order to minimize probate taxes. Also ensure that the beneficiary election on your RRSP or RRIF account is consistent with the terms of distribution indicated in your Will.

Probate Taxes

Upon death the executor of your estate will typically be required to file for probate with the provincial court. The estate’s executor must submit the original Will and an inventory of the deceased’s assets.

With the executor’s submission to the court, he/she must also remit a probate fee. This fee is based on the total value of the assets stated in the inventory of assets. This will include all assets that flow through the Will. The rate charged varies between provinces with some provinces having a maximum fee.

Your Estate Plan

Probate taxes can be reduced by using previously discussed strategies such as the naming of specific beneficiaries, joint tenancy with rights of survivorship agreements and the use of living trusts.

U.S. Estate Tax

In addition to the taxes payable in Canada, you may also be subject to a tax bill from the U.S. Government. Canadians that own U.S. assets such as real estate, corporate stocks and bonds and government debt may be required to pay U.S. estate tax based on the market value of their U.S. assets at death. Any assets that are considered “U.S. situs” property (i.e. deemed to be located within the United States) will be subject to this tax. Most people do not realize that investing in the securities issued by a U.S. corporation such as IBM or Phillip Morris may result in a tax liability for their estate.

The Canada-U.S. Tax Treaty has reduced the number of Canadians that may be subject to this estate tax. The tax rate charged on U.S. assets ranges from 18% to 55% of the taxable U.S. estate value. What has changed with the latest revision to the tax treaty is the amount of U.S. assets that are exempt from this tax. For the year 2000 (and increasing for years thereafter), a Canadian resident can claim a prorated tax credit of U.S.\$220,550 against the estate tax owing. Also, U.S. estate tax is restricted to real property (i.e. U.S. real estate) if the gross value of your worldwide assets does not exceed U.S.\$1.2 million. In other words, if your total estate is valued at less than U.S.\$1.2 million and you do not own U.S. real estate then you will not be subject to the tax.

Your Compass financial plan has not attempted to calculate the impact of any U.S. estate tax. If you currently hold U.S. assets or intend to acquire U.S. assets, we suggest you consult your tax or legal advisor to assess your potential liability. For your information, we have outlined below, some basic strategies to reduce or defer U.S. estate tax.

Potential methods of reducing or deferring U.S. estate tax include the following:

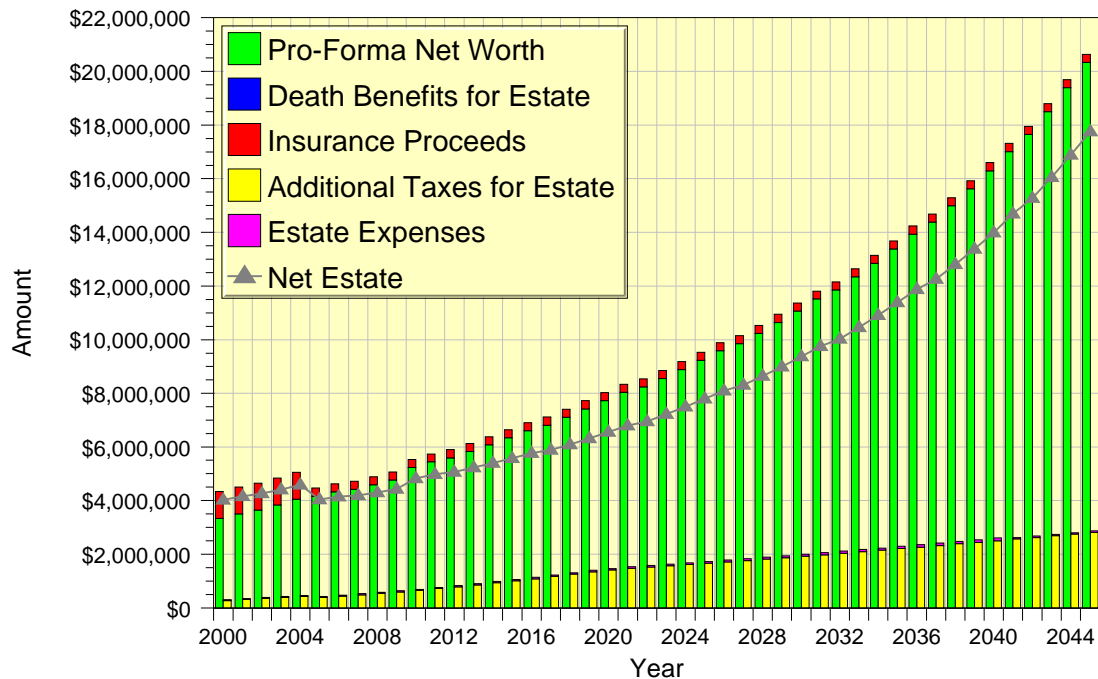
- Use life insurance to cover the U.S. tax bill allowing your total estate value to be maintained.
- Sell your U.S. assets prior to death. This is the simplest method of avoiding the tax but timing is everything with this strategy. Remember, capital gains tax will be payable on the sale of appreciated assets.
- Reduce the value of your estate below the U.S.\$1.2 million threshold. This might be achieved by gifting assets.
- Hold Canadian mutual funds that invest in the U.S. market. While the fund may hold U.S. assets you are considered to own a Canadian asset, the mutual fund units.
- Hold the asset in joint tenancy with right of survivorship. This may serve to defer the tax until the other tenant dies, assuming the surviving tenant can prove that he/she acquired their interest in the asset using their own capital.
- Purchase U.S. real estate in a “single purpose” Canadian holding corporation.
- Acquire non-recourse indebtedness on U.S. real estate held personally.

This is a very complex area and professional guidance should be sought prior to taking any course of action.

Your Estate Plan

ESTATE PRESERVATION

For many individuals, ensuring their retirement is properly funded and protecting against an untimely death are their principal concerns. Once these primary objectives are comfortably addressed, the next concern is often preserving one’s hard-earned savings for their beneficiaries. The following analyses illustrate the impact of taxes on the estate should both John and Mary die in a given year.



Generally, the taxes and expenses you must pay on death increase, in many cases dramatically, as you build net worth over time. This is particularly true if your net worth contains a significant amount of registered assets (i.e. RRSP, RRIF and pensions). The items represented in the estate analysis are defined below.

- **Pro-Forma Net Worth** - The green bars indicate your annual net worth (total assets less total liabilities) just prior to the death.
- **Death Benefits for Estate** – The blue bars are typically difficult to see as they represent relatively smaller cash inflows occurring at death such as CPP Survivor Benefits.
- **Insurance Proceeds** - The red bars represent the value of any insurance proceeds that would be received upon death. *We have assumed that John’s Group insurance coverage will cease at the end of the year in which he retires, while Mary’s Group insurance will continue for life.*
- **Additional Taxes for Estate** - The yellow bars show any taxes that will be triggered upon death. This includes the taxes payable due to the deemed disposition of all assets including RRSPs and RRIFs upon the death of both spouses.
- **Estate Expenses** - The pink bars show any expenses occurring upon the death of both spouses such as burial expenses or accrued interest on loans. These amounts are typically quite small and therefore may be difficult to see in the chart.
- **Net Estate** - This dark gray line represents the sum of the pro-forma Net Worth less additional taxes, less estate taxes, plus death benefits plus insurance proceeds. Essentially, this total represents the value of your estate after expenses have been covered, death benefits have been realized and insurance proceeds have been received.

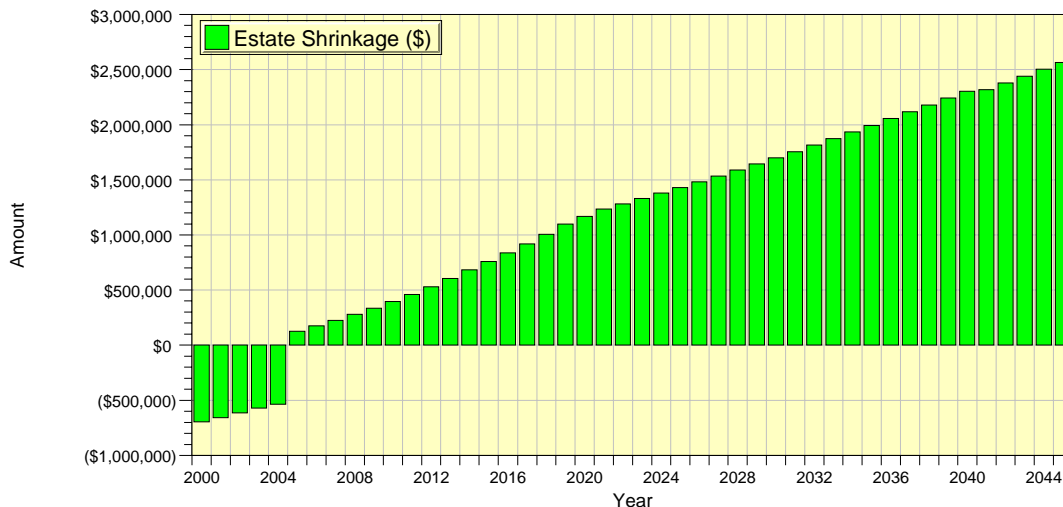
Your Estate Plan

ESTATE PRESERVATION

The following graph illustrates the amount your estate would be reduced if you and Mary were to die in a given year. This reduction in the value of your estate is known as “estate shrinkage” and is due to estate expenses and taxes payable upon death (relating to the realization of previously unrealized capital gains and de-registration of registered assets). The calculation consists of comparing only the total of estate expenses and income taxes payable to the amount of insurance coverage in place at death, to determine if you have a net amount of shrinkage.

Note carefully that this exercise focuses only on insurance coverage actually in place at the time of death, so even if you have a large net estate (see the graph on the previous page) we will likely calculate some amount of estate shrinkage. In fact, anyone that does not have life insurance coverage and has unrealized capital gains in their portfolio, or has registered assets, will have an amount of estate shrinkage.

Also consideration should be given to our assumptions regarding investment rates of return. On page 6 you will note that your plan was prepared based on the assumption that each year you will realize gains (and pay income tax) on your stocks of 4% and also that there will be deferred gains of 4%. The estate shrinkage calculation may be impacted significantly by this assumption. For example, if you follow more of a “buy and hold” strategy your deferred gains may be significantly greater than we have calculated, and so to will the amount of your estate shrinkage.



We have analyzed your plan from 2000 to 2046 to estimate the amount of estate shrinkage you are likely to encounter on death in each of these years. The average estate shrinkage you will face is \$1,232,445, with the largest estate shrinkage (\$2,566,871) occurring in 2045.

Note that years in which your estate exceeds your pro-forma net worth will result in a negative estate shrinkage. This situation will arise if your insurance benefits exceed the additional taxes and expenses payable on death in a given year.

Your Estate Plan

Remember that the change in estate shrinkage between the years 2004 and 2005 is due to our assumption that your group insurance coverage ceases at the end of 2005. Therefore, any coverage in place would directly reduce the amount of estate shrinkage indicated for years after 2005.

You should review this analysis to determine what amount of estate shrinkage is tolerable within your estate plan. **We recommend that you consider insuring at least the average estate shrinkage expected over the projection period.** Implementing this recommendation will depend on your ability to purchase additional coverage.

According to your Compass questionnaire, estate preservation is a key objective for you at this time. Thus you should consider purchasing “Joint, Last-to-Die” term life insurance coverage to offset at least the average estate shrinkage expected over the projection period. Joint, Last-to-Die term coverage provides long term protection in your estate plan providing a payment to the estate upon the second spouse’s death. This type of coverage often has a constant annual premium throughout your lifetime with the annual premium being higher than that charged for a five or ten year term policy. This policy will remain in force as long as you pay the annual premiums but if you stop paying the premiums, the coverage will cease.

ALTERNATIVE LIFE INSURANCE SOLUTIONS – UNIVERSAL LIFE COVERAGE

Since Universal Life Coverage is often most appropriate for long-term insurance needs, you should also consider this type of coverage. A universal life policy is a combination of term insurance and a tax-deferred saving's component. Your premiums fund the insurance coverage while the balance is invested in various investment options that you select. You can also raise the premiums to increase the amount of tax-deferred savings (with some limitations) or reduced to simply cover the cost of the insurance coverage. Premiums may even be suspended if sufficient cash value has been accumulated in the policy to fund the insurance coverage.

As estate preservation and reducing income taxes are two of your key objectives, you may wish to consider additional tax deferral strategies.

Once again, Universal Life offers you the ability to satisfy your current insurance needs and create a new tax deferred asset. You may fund the policy with maximum deposits for the first three to five years. After that period, when your expenses rise in retirement, deposits can be tailored to reflect future discretionary cash flow. The flexibility of Universal Life permits the reduction of the policy death benefit, resulting in paying only for the insurance coverage you need.

For supplemental retirement income, your Universal Life policy may be pledged as collateral at a financial institution for a series of loans. The loans will flow to you on a tax-free basis with the cumulative interest capitalized. On death, the loan and interest are satisfied and any residual amounts will flow to your estate or named beneficiary, tax-free.

The Advisor can assist you in evaluating insurance solutions for this objective.

Your Estate Plan

PLANNING FOR INCAPACITY

Throughout our review of your estate plan we have discussed the issues that should be considered when planning your estate. The final component of your estate plan should address potential situations where you may become physically or mentally incapacitated. This is achieved by creating a Continuing Power of Attorney. Without a Continuing Power of Attorney your family can not act on your behalf during a period of incapacity until they receive court approval.

You indicated in your Compass questionnaire that both you and Mary currently have Continuing Power of Attorney documents in place. Although you have completed a key step in your estate plan, the following comments may still be of interest to you.

Power of Attorney

The most common form of this document, a financial power of attorney is also referred to as a power of attorney for personal property or financial decisions. The authority that you give the individual acting as your “attorney” can be either limited to specific activities or assets, called a *limited* Power of Attorney, or can provide the attorney with wide-ranging control of your financial affairs, called a *general* Power of Attorney. A Power of Attorney may be temporary or of indefinite duration but in all cases the authority provided by this document ends at your death.

Living Wills

The provinces of British Columbia, Manitoba, Ontario, Quebec and Nova Scotia all have legislation allowing for the creation of what is commonly referred to as a living Will. Depending on the province, a living Will may also be referred to as: a power of attorney for personal care, a mandate, a health care directive or proxy, an advance directive or a representation agreement.

The purpose of a living Will is to provide instructions regarding your medical care if you were to become incapacitated and unable to state your wishes. This document may indicate the type of treatment you may or may not wish to receive. A living Will should be created with the assistance of a lawyer or notary and discussed with your family physician and family members.

Continuing Powers of Attorney

A continuing Power of Attorney (also sometimes called a durable or enduring power of attorney) is one that authorizes the attorney to continue to manage the grantor's property during any subsequent mental incapacity of the grantor. Without the additional terms included in a continuing Power of Attorney, the attorney's authority would be revoked if the grantor were to become mentally incapacitated. It is this aspect of the continuing power of attorney that renders it a potentially invaluable planning tool. A grantor can ensure that, in the event of a sudden or gradual loss of his or her mental capacity, a trusted individual will be able to manage his or her property for the benefit of the grantor and any dependants.

Choosing an Attorney

One frequent misconception when selecting an attorney is that this person must be a lawyer. This is not the case. Your attorney can be any mentally competent adult or a trust company.

Your Estate Plan

Should Your Spouse be Your Attorney?

Your spouse may be the appropriate choice as your primary attorney. Since your spouse is often away at the same time you are, and since there is a risk of being together in an incapacitating accident, naming someone else to act as alternate for or in addition to your spouse is advisable. In some cases, you may wish to have your spouse act together with another individual who may be younger or have greater property management skills.

Other Options When Naming an Attorney?

Adult children are often named as attorneys, either as co-attorneys or as alternates. Lawyers, accountants, trust companies, relatives and family friends may also be chosen. You should consider carefully the nature of your assets and the type of management they require, and then select persons you consider to be capable of handling your affairs personally. These persons must also know when and how to seek professional assistance as required. If you decide that a trust company is an appropriate choice, it is necessary to speak with a trust company representative as it may have internal rules that must be complied with if it is to accept the appointment.

Please Remember...

The Client hereby acknowledges that a RBC Dominion Securities (“RBCDS”) authorized representative has prepared this financial planning report, including general recommendations, based on the information provided by the Client or gathered from third party upon Client consent and the assumptions made regarding tax, inflation, mortality and rates of return set out in the report. Over time, your financial objectives will change, and markets and interest rates may not perform as expected. As the future cannot be forecast with certainty, actual results may vary from these projections. Accordingly, recommendations may change over time with changes to your personal or financial situation, and changes in financial markets.

The Client also acknowledges that s/he has reviewed the “Financial Assumptions”, as well as the Net Worth and Cash Flow Statements contained in the “Your Current Financial Position” sections and that the information contained therein accurately reflects his/her financial situation.

The analyses, projections and matters for discussion produced in the financial planning report are provided for your general guidance and benefit, and are based on information regarding the personal circumstances, goals and objectives which you provided to us. The validity and relevance of the financial planning report as it applies to you is entirely dependent on the completeness and accuracy of this information. We have neither reviewed nor otherwise attempted to verify the accuracy or completeness of this information. You should consult with The Advisor when planning to implement any aspect of the financial planning report to ensure that action is taken on the latest available financial information and to ensure the report is still relevant given your circumstances at that time. RBCDS has made every reasonable effort to ensure accurate calculations, however, we cannot guarantee them. While RBCDS believes the financial information contained in the financial planning report to be accurate as at the time it is produced, the Client acknowledges that interest rates, market conditions, special offers, tax rulings and other investment factors are subject to rapid change. Therefore, your personal financial plan should be reviewed and updated periodically to adjust for changing circumstances.

Your personal financial plan is designed to assist you in evaluating your current financial situation and determine your ability to achieve your objectives for the future. All final decisions relating to your investment strategies, cash flow management, and/or any recommendation in the report are yours. Consultation with your lawyer, accountant or other professional advisor is recommended.

RBCDS is registered as an investment dealer and a financial planning firm (where applicable) with the appropriate provincial regulatory body. The financial planning report prepared by RBCDS is not intended as a solicitation to purchase specific investments.

Sample Plan – For Illustrative Purposes Only

We (I) acknowledge that we (I) have received a copy of this Financial Planning Report, that we (I) have read and understand the provisions set out in the above section “Please Remember...” and in particular, we (I) accept that this Financial Planning Report relies on the assumptions made and the information provided by (us) me.

Client Name

Client Name

Date

Approved by:

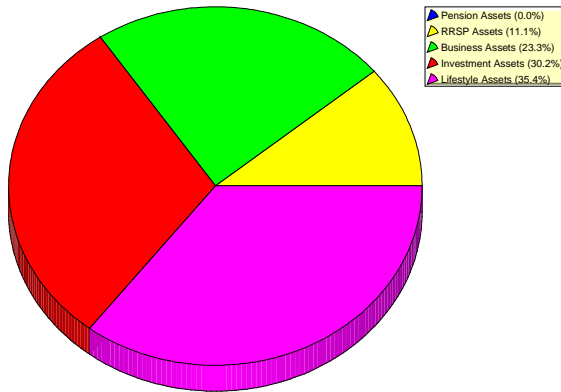
Name and Signature of Approval

Investment Advisor

Executive Summary For John and Mary Smith

YOUR CURRENT FINANCIAL POSITION

CURRENT NET WEALTH



The Net Wealth pie chart illustrates the various assets that you and Mary own less any liabilities outstanding on a percentage basis.

EMERGENCY FUND REQUIREMENTS

- You should ensure that you maintain an appropriate emergency fund of up to \$25,000. You have \$50,000 in liquid investments (savings or chequing accounts, Cash, Money Market Funds, etc.) which could be accessed for a financial emergency. Your emergency fund is therefore sufficient to meet your needs. Please see page 8 for more details.

DEBT MANAGEMENT

- The debt service ratio represents one of the key measures in determining your ability to support current debt levels. Your debt service ratio is currently 1.6%. Your debt service ratio is within the recommended limit of less than 35%. Please see page 10 for more details
- Although your debt to equity ratio is currently only 2.2%, we do not believe that you should increase the use leverage as part of your saving's strategy, since it is not required to meet your stated objectives.

CASH MANAGEMENT

Total 2000 Income	\$348,250
Less: Total Tax	<u>\$115,920</u>
After-Tax Income	\$232,330
Total Expenses & Savings	\$200,531
Capital Redeemed from Account "In-Trust"	<u>\$13,887</u>
Cashflow Surplus	\$45,687
Net Savings	\$37,987

- Your current savings ratio is 11%. The savings ratio is calculated by dividing your total savings by gross income. It is generally recommended that your savings ratio equal at least 10% of gross income. Please see page 12 for more details.

TAX PLANNING

- John's 2000 marginal tax rate = 47.86%
- Mary's 2000 marginal tax rate = 47.86%
- Be sure to make your maximum RRSP contribution of **\$13,500**. The exact amount of your maximum contribution for 2000 is noted on last year's Notice of Assessment from the Canada Customs and Revenue Agency. See page 18 for details.
- Based upon our evaluation of your retirement incomes, we recommend that you continue to make spousal RRSP contributions.

Executive Summary

YOUR INVESTMENTS

Based on your investor profile, we suggest you consider the investment mix guideline provided below for both registered (RRSP) and non-registered (non-RRSP) investments.

According to our evaluation of your current situation we consider you to be a **Balanced** Investor.

Balanced Investor Profile

Asset Type	Cash	Bonds/GICs	Canadian Stocks	Foreign Stocks
Allocation	5%	40%	35%	20%

The expected return on this portfolio is 7.85%.

At present, **Cash, Canadian stocks and Foreign stocks are slightly over-emphasized** in your overall mix. As a result, you are not fully diversifying your portfolio to take advantage of potential fixed income opportunities.

YOUR RETIREMENT PLAN

- John wishes to retire on January 1, 2005 at age 60, while Mary wishes to retire on August 1, 2005 at age 55.
- Your projected income from savings and pensions is sufficient to provide for your anticipated needs throughout your retirement.

YOUR ESTATE PLAN

- Review our comments on Wills and Power of Attorney to determine if changes are necessary.
- Our analysis indicates that John's current life insurance coverage and financial resources are sufficient to provide for Mary's needs in the event of John's untimely death.
- Our analysis indicates that Mary's current life insurance coverage and financial resources are sufficient to provide for John's needs in the event of Mary's untimely death.

Generally, the taxes and expenses you must pay on death increase, in many cases dramatically, as you build net worth over your lifetime. This is particularly true if your net worth contains a significant amount of registered assets. The impact these taxes and expenses will have on your estate is referred to as estate shrinkage. We have analyzed your plan from 2000 to 2046 to estimate the amount of estate shrinkage you are likely to encounter on death in each of these years. The average estate shrinkage you will face is \$1,232,445, with the largest estate shrinkage (\$2,566,871) occurring in 2045.

- You should review this analysis to determine what amount of estate shrinkage is tolerable within your estate plan. **We recommend that you consider insuring at least the average estate shrinkage expected over the projection period.** See page 49 for details.

Your Action Plan

KEY POINTS OF ACTION

- Ensure that you update your will if changes are necessary. Review our comments on Wills and Power of Attorney.
- Refer to our discussion regarding estate preservation.
- Consider the merits of testamentary trusts.

The following report outlines the transactions and recommendations that you should implement over the course of the next year. The transactions are based on the strategies we recommended in the *Your Retirement Plan* section on page 32. These transactions specify the details that you will need to implement your strategies in each of the next 3 years. Please remember that your financial situation and assumptions are likely to change over time. You should review your financial plan at least once a year to refine your overall plan and its implementation details.

Note: Deficit Coverage Redemptions may refer to the amount of investment income earned but not reinvested during the year, redemption of investment capital or a combination of both.

ACTIVITY for 2000

SAVINGS:

Asset	Contributor	Amount	Comment
Balanced Portfolio (Joint)	Joint	\$22,843	Surplus Savings
Spousal RRSP Balanced Portfolio (Mary)	John	\$13,500	Regular Savings Plan
Total		\$36,343	

INSURANCE PREMIUMS:

Policy	Contributor	Amount	Comment
Group Insurance - John(Life Insurance)	John	\$1,100	Life Insurance Premiums
Group Insurance - Mary(Life Insurance)	Mary	\$400	Life Insurance Premiums
Total		\$1,500	

REDEMPTIONS:

Asset	Owner	Amount	Comment
Account "In Trust" (Maggie)	John	\$13,887	Regular Redemption Plan

DEBT REDUCTIONS:

Liability	Contributor	Amount	Comment
Investment Loan	Joint	\$5,625	Regular Payments, Interest Only

ACTIVITY for 2001

SAVINGS:

Asset	Contributor	Amount	Comment
Balanced Portfolio (Joint)	Joint	\$22,928	Surplus Savings
Spousal RRSP Balanced Portfolio (Mary)	John	\$13,500	Regular Savings Plan
Total		\$36,428	

INSURANCE PREMIUMS:

Policy	Contributor	Amount	Comment
Group Insurance - John(Life Insurance)	John	\$1,100	Life Insurance Premiums
Group Insurance - Mary(Life Insurance)	Mary	\$400	Life Insurance Premiums
Total		\$1,500	

REDEMPTIONS:

Asset	Owner	Amount	Comment
Account "In Trust" (Maggie)	John	\$14,303	Regular Redemption Plan

DEBT REDUCTIONS:

Liability	Contributor	Amount	Comment
Investment Loan	Joint	\$5,625	Regular Payments, Interest Only

Your Action Plan

ACTIVITY for 2002

SAVINGS:

Asset	Contributor	Amount	Comment
Spousal RRSP Balanced Portfolio (Mary)	John	\$13,500	Regular Savings Plan
Total		\$13,500	

INSURANCE PREMIUMS:

Policy	Contributor	Amount	Comment
Group Insurance - John(Life Insurance)	John	\$1,100	Life Insurance Premiums
Group Insurance - Mary(Life Insurance)	Mary	\$400	Life Insurance Premiums
Total		\$1,500	

REDEMPTIONS:

Asset	Owner	Amount	Comment
Bonds (Joint)	Joint	\$5,433	Deficit Coverage Redemptions
Account "In Trust" (Maggie)	John	\$14,733	Regular Redemption Plan
Balanced Portfolio (Joint)	Joint	\$2,856	Deficit Coverage Redemptions

DEBT REDUCTIONS:

Liability	Contributor	Amount	Comment
Investment Loan	Joint	\$5,625	Regular Payments, Interest Only



**RBC
INVESTMENTS™**

December 21, 2000

Mr. John Smith
123 Any Street
Anywhere, Ontario
X0X 0X0

Investment Advisor: The Advisor

Dear Mr. And Mrs. Smith,

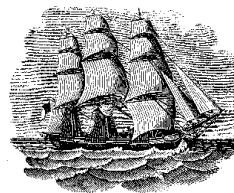
We hope you have found your involvement with the COMPASS Financial Plan to be a rewarding experience and that it has provided you with direction towards the achievement of your future objectives. Your COMPASS plan should be viewed as a map that, if followed, will provide the direction necessary to help you achieve your retirement and estate objectives. It is important to revisit your financial situation on a regular basis so that you remain on track and ensure your current assumptions and objectives remain relevant. In general, you should revisit your financial plan every 1-2 years as your personal and financial situation change.

Below is an invoice for the preparation of your financial plan.

DESCRIPTION	AMOUNT	GST (R#122386394)	TOTAL
Completed COMPASS Financial Plan	\$0.00	\$0.00	\$0.00

NO CHARGE: PLATINUM CLIENT #99999

If you have any questions concerning this invoice contact, **The Advisor**.



COMPASS
Charting Your Financial Independence

John and Mary Smith



RBC
INVESTMENTS™

December 21, 2000

Dear Mr. And Mrs. Smith,

Congratulations on taking this important step toward better understanding your finances and helping to ensure that your retirement and estate objectives are achieved.

The enclosed Compass plan was created by the RBC Investments Financial Planning group. Your financial plan has been prepared by experts in the field of financial planning and taxation.

Your Compass plan has been prepared entirely from the information you provided in your confidential questionnaire. As you read through this report you may discover new opportunities to increase your wealth, serious gaps in your insurance coverage or pleasant surprises in store for the future if you continue to manage your finances wisely.

It is important that you understand that although this report is a thorough analysis of your current finances it should only be viewed as a starting point in the planning process. I would be happy to assist you with the next step in this process, which requires your evaluation and implementation of the report recommendations. You should bear in mind that the legal and tax aspects of this report are recommendations only and do not constitute legal advice, therefore, I would suggest that you review the relevant recommendations with your tax and/or legal advisors prior to implementation.

Remember that one of the biggest problems you face in achieving your objectives is time. The longer you wait before you act the more difficult it will be to achieve your objectives. It is also important that you recognize that even the most effective financial plans should be continuously updated, particularly if your life undergoes a major change such as a change in marital status, the birth of a child, a new job, or receipt of inheritance.

I am available to assist you in the evaluation and implementation of the investment and insurance component of your Compass plan. I can also refer you to professionals capable of assisting you in the execution of the estate, and tax components of this report.

I look forward to our further discussions regarding your financial plan.

Sincerely,

The Advisor
(999) 999-9999