



Wealth Management  
Dominion Securities



Alex McGuire, CIM  
Investment Advisor  
Tel: 905-277-1723  
alex.mcguire@rbc.com

RBC Dominion Securities  
4 Robert Speck Parkway, Suite 1100  
Mississauga, ON L4Z 1S1  
Tel: 905-277-1723  
Fax: 905-277-6007  
Toll free: 1 800-323-6645

# Simplify your financial life

## Consolidation of assets

**Diversification is one of the golden rules of investing to reduce risk and boost your return potential over time. Investors often 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. 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 include:

### Reduced costs

Consolidation is a well-known way to reduce 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 for 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 more administratively 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 to manage their overall assets and ensure they have adequate income.

**RBC Dominion Securities Inc.**



Consolidation of your assets can help your advisor maximize your after-tax retirement income.

### Access to comprehensive wealth management services

Consolidation may help you reach a certain level of assets with an advisor so that you may then be eligible for certain specialized services, such as advanced tax and estate planning, comprehensive financial planning, managed investment programs and private banking.

### More tax-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 may 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.

For convenience alone, consolidation is a strategy worth considering. With consolidation, you work with one advisor who sees the big picture – who understands your overall financial situation and provides the customized advice you need.

**Please contact us for more information.**

### Family wealth management tip

Sometimes, investors decide against consolidating their assets with one advisor, thinking that they can “diversify by advisor.” 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.

This publication is not intended as nor does it constitute tax or legal advice. Readers should consult their own lawyer, accountant or other professional advisor when planning to implement a strategy. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. Interest rates, market conditions, special offers, tax rulings and other investment factors are subject to change. This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. Insurance products are offered through RBC Wealth Management Financial Services Inc. (“RBC WMFS”), a subsidiary of RBC Dominion Securities Inc.\* RBC WMFS is licensed as a financial services firm in the province of Quebec. RBC Dominion Securities Inc., RBC WMFS and Royal Bank of Canada are separate corporate entities which are affiliated.

\*Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. and RBC WMFS are member companies of RBC Wealth Management, a business segment of Royal Bank of Canada. ® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © 2020 RBC Dominion Securities Inc. All rights reserved. 20\_90083\_036 (01/2020)