

Wealth Management & Capital Markets Perspective



Wealth Management
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For the clients of Grimes Handscomb Asset Management of RBC Dominion Securities | Summer 2024

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Longevity: Cracking the ageing code by Frédérique Carrier

The following is a summary of a longer report which focuses on scientific advancements related to ageing. Please contact us if you would like to receive a copy of the full report.

From lifespan to healthspan

Life expectancy has doubled over the past 150 years thanks to medical and social progress. Today, children born in developed nations can expect to have an even chance of living past their 80s.

Living longer has brought with it a bevy of conditions that past generations—who were prone to die from war, accidents, famine, or epidemics—had virtually no experience with. Scientists' attention has thus turned to extending healthspan, or the number of healthy years before the end of life.

Successfully lengthening healthspans could alleviate cost pressures on both governments and households while adding more years of satisfying life.

What is ageing?

In "The Hallmarks of Aging," Carlos López-Otín, professor of biochemistry and molecular biology at the University of Oviedo in Spain, led a team that produced a widely used list of the characteristics of ageing.

In a nutshell, some of the ageing hallmarks include:

- Genetic mutations accumulating
- Chromosome ends crumbling
- Tissues being blocked with debris
- Cells becoming cancerous while others enter a zombie-like state, harming healthy cells
- Stem cells no longer dividing and becoming unable to create new cells
- Mitochondria, the powerhouses of cells, falling into disrepair
- Chronic inflammation creeping through the body
- Gut microbiome becoming less healthy

Eventually, age-related damage enhances the body's vulnerabilities and can lead to chronic disorders such as heart disease, osteoporosis, cataracts, and neurodegenerative illnesses.

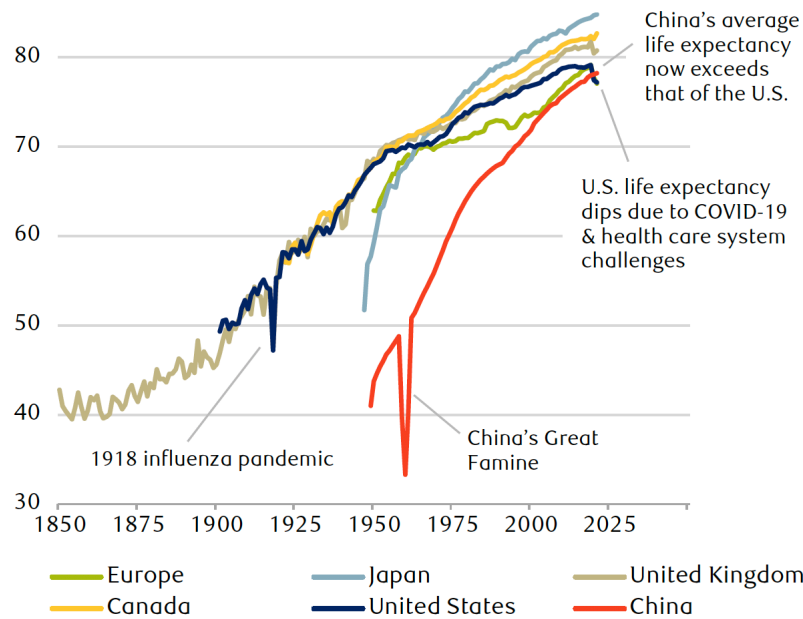
DIY healthspan extension (biohacking)

A culture of "do-it-yourself" healthspan extension has emerged. "Biohackers" are people who explore using existing pills and supplements in the hope of improving their healthspan, and largely operate outside the medical sphere.

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Much improvement everywhere

Life expectancy at birth since the 1850s



Source - Our World in Data

It's recently become commonplace to carefully calibrate what one eats to improve the health of one's microbiome. Intermittent fasting is an increasingly popular method that aims to induce autophagy, the waste disposal system that cells use to rid themselves of damaged components.

Many scientists are concerned there is too much hype around biohacking and its unconventional approaches.

Most promise

In his recently published book "Why We Die: The New Science of Aging and the Quest for Immortality," Venki Ramakrishnan, co-winner of the 2009 Nobel Prize in Chemistry, highlights three approaches which he judges as most promising:

Senolytics

This class of drugs is designed to target senescent cells—those that have ceased dividing and have entered a zombie-like state. Senescent cells secrete inflammatory molecules, dripping destructive compounds into nearby tissue and inhibiting the proper functioning of healthy cells in proximity. The natural clearing-out of senescent cells becomes less efficient with age. Science suggests that senescent cells are at the root of many ageing-related diseases.

Stem cell regeneration and cellular reprogramming

Another approach focuses on rejuvenating or reprogramming the cells, capitalizing on recent developments in stem cell science. Stem cells are the reserves from which new cells can be produced to regenerate tissue, and are already widely used in regenerative medicine.

Telomerase reactivation

Telomeres are segments of DNA at the end of each chromosome. Every time a cell copies its chromosomes and divides, telomeres become slightly shorter. When telomeres

get too short or wear out completely, cells may stop dividing and become senescent.

Scientists are focusing on an enzyme, telomerase, which can lengthen telomeres. They are exploring whether it is possible to reactivate the enzyme which the body deactivates as part of the ageing process.

Good things come to those who wait

While Ramakrishnan is optimistic about these cutting-edge methods of combating ageing, it could take at least a couple of decades to create the necessary and successful therapeutics, in his view.

In the meantime, RBC Capital Markets, LLC Senior Biotechnology Research Analyst Luca Issi points out that healthspan can be materially expanded via better diagnostics, earlier intervention, and improved therapies for diseases such as cancer and heart disease.

So close, yet so far

Investing in the "combating ageing" theme can be implemented via the biotech industry. Other industries may experience shifts in demand as the population ages and play into the theme as well, including wealth management, home builders, and life science real estate.

With scientists having clearer insight into the biological pathways of ageing, the prospects for positive healthspan outcomes appear more promising than 20 years ago. Medical breakthroughs are possible, as the recent drugs targeting obesity—a condition which eluded treatment for decades—have demonstrated.

In the meantime, a good diet, exercise, and sound sleep seem to be the best strategy for those aspiring for a long and healthy life.

Worried about your health as you age? Create a care plan

As the population ages, more Canadians are concerned about their health and the well-being of their elderly loved ones.

According to the National Institute on Ageing (NIA) at Toronto Metropolitan University, the number of Canadians over the age of 85 is expected to reach 2.6 million by 2050, up from around 844,000 in 2021. Research from the NIA also projects that long-term-care costs will more than triple, to \$71 billion by 2050, compared to about \$22 billion in 2019.

According to a Statistics Canada report, approximately one in four Canadians aged 15 and older care for or help someone with a long-term health condition, or a physical or mental disability, or someone who has problems related to aging.

While there are benefits to caregiving, such as getting closer to a loved one and giving back, the StatsCan report says it can also have “an impact on a person’s physical and mental health, as well as their financial situation.”

How a care plan helps

As more Canadians enter their senior years, it’s increasingly important for them to have a care plan to help manage their lives and those of their loved ones.

A care plan is similar to a financial plan but with a focus on ensuring a person’s care needs are met, according to their wishes, should they become seriously ill.

Planning helps ease the mental and financial burden for the person who is ill and for their care partners, says Audrey Miller, managing director of Elder Caring Inc., a care management company.

“Discussing options and costs allows a family to plan and be proactive in their aging journey,” says Miller, who founded the company in 2004 after noticing a growing professional need to support families and their care partners. Elder Caring Inc. helps assess living situations for seniors and makes recommendations about living well, whether at home or in assisted-living settings.

“Anyone who’s been through the aging journey themselves or with parents knows it’s completely unpredictable,” says Miller, who’s a registered social worker and Canadian Certified Life Care Planner (CCLCP). “Many people don’t know where to start. They don’t know what resources are available.”

Elder-care planning often begins when a loved one is diagnosed with a serious disease such as Parkinson’s or Alzheimer’s and there’s an immediate need to find care services to support them.

However, Miller says planning can and should begin much earlier—for instance, when a senior develops minor health issues. It can start with proactive steps such as bringing in an occupational therapist to ensure their home is as safe as possible. This can include removing tripping hazards or installing handrails in bathrooms and other necessary places.

Discussing care needs with a family helps to determine what type of assistance is needed, either from a family member, paid companion, personal support worker or nurse. Then as their condition worsens, whether aging in place continues to be an option.

“It’s about presenting options to families, so they can make informed decisions,” Miller says.

The aging individual in question should always be part of the planning process, when possible, Miller says. She encourages seniors to make their own care plans and share them with their adult children so they understand their parents’ wishes if they develop a serious illness in the future.

Building an individualized plan

Most people have different care needs and wishes, which is why Miller recommends people develop plans that cater to their individual circumstances.

“I help my clients make sense of things—and what’s right for one person’s mother may not necessarily be right for someone else’s,” she says.

Miller suggests working with a professional elder-care specialist who understands and has experience with the healthcare system, including the various living and care options for seniors. These professionals can provide information and guidance in areas such as the benefits and challenges of aging in place and when it might be time to move a loved one to an alternate care setting.

Miller often discusses with clients what she refers to as “the three Cs”—care, cost and choice—when it comes to selecting the right retirement residence.

- **Care:** Looks at whether the loved one’s condition is chronic, temporary, progressive or palliative, which will determine the type of care needed;
- **Cost:** Considers all expenses that are included (and what’s not included), as well as your own current living expenses;
- **Choice:** This relates to the location, including proximity to family, friends, physicians, as well as whether the place caters to personal needs and tastes—for example if it’s pet friendly or offers vegetarian food options.

Miller encourages families to visit the residences first and consider trial stays before uprooting a loved one.

“Too often, I receive calls a few shorts weeks or months after a move has been made that the facility can no longer accommodate the person,” she says, which is stressful for the family and, of course, the older individual.

Combining health planning and wealth planning

Having a care plan also helps families understand and budget for the different types of care an older adult may need.

“Once you’re in a crisis, you’re reacting and not in the best position to be proactive,” Miller says.

She recommends families have conversations about care needs with their loved ones and build a plan, long before it’s likely to be needed.

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“Talk about what’s available, talk about costs, talk to other family members,” she says. “Start the conversation—the earlier the better. It doesn’t help to wait.”

Health and wealth go hand in hand, says David Agnew, chief executive officer at RBC Wealth Management Canada. “Now is the time to help our clients prepare for the healthcare and lifestyle costs associated with living

longer, as well as the implications of wealth transfer to their partner or spouse and the next generation.”

Having a plan also makes aging, or watching a loved one go through it, less daunting, adds Miller.

“It demystifies it a bit,” she says. “People feel so much better when they’ve figured out that they have the beginnings of a plan. It helps people to know that there are some options.”

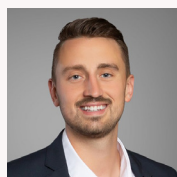
Administrative corner

On-Demand Deposits / USD cheques

We are now able to move funds (CAD or USD) into your RBC DS non-registered investment account from any Canadian financial institution on your behalf, provided the bank account has been previously linked to your RBC DS profile. Linking your bank account (up to 3 different accounts can be linked for each currency) enables us to transfer funds safely and efficiently to or from your non-registered account on just a verbal confirmation. If you have additional bank accounts you would like to have linked to your RBC DS account profile, please contact our office and we will assist with the required documentation.

Note: as a result of changes to U.S. Anti-Money Laundering regulations, RBC DS is no longer able to issue USD cheques as of June 1st; USD funds can now only be sent electronically via wire transfers.

Introducing ... Andrew Dziamarski



Andrew recently joined the Grimes Handscomb team having spent the last 8 years working at another large Canadian financial institution. Andrew graduated with a Bachelor of Commerce (Honours) from the University of Windsor and holds the Chartered Investment Manager (CIM) designation. As an Associate Advisor, Andrew helps conduct portfolio reviews, researches investment ideas, and implements strategies and recommendations for our clients. Andrew is a dog lover, and enjoys staying active through exercise and running with his two furry companions: a Golden Doodle (Jasper) and an Australian Shepherd (Leia). Welcome Andrew!

Benchmarks

Equity market 12-month trailing return (for month ending June 30, 2024)	
S&P/TSX composite total return index	12.1%
S&P 500 total return (C\$)	28.7%
S&P 500 total return (U\$)	24.6%
DJIA total return (C\$)	19.9%
DJIA total return (U\$)	16.0%
Nasdaq composite price return (C\$)	32.9%
Nasdaq composite price return (U\$)	28.6%

RBC CM Canadian bond market indices 12-month trailing return (for month ending June 30, 2024)	
Short-term index	5.6%
Intermediate-term	3.9%
Three-month T-Bill (C\$)	5.2%
Three-month T-Bill (U\$)	5.6%



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