

Westside Viewpoints

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Wealth Management
Dominion Securities

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Services we provide:

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Celebrating RBC Blue Water Day

Water management: the bridge to growth

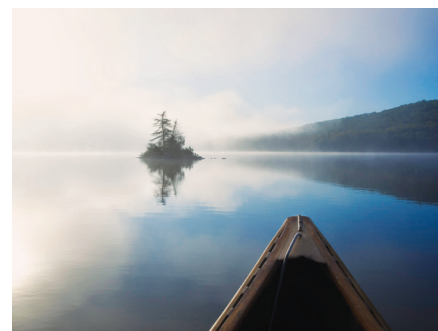
Water. As we consider how water touches our lives in immeasurable ways, we also see its impact on investment themes as water management has flowed through development and economic growth throughout history.

Effective water management is of heightened importance given world population growth is putting strains on a natural resource whose supply is not increasing. While the world population passed seven billion in 2011 (currently 7.4 billion), up nearly 40% from 1990, there is as much water on the planet today as there was millions of years ago.

As a nod to RBC Blue Water Day on June 2, we thought it especially timely to highlight the importance of water management. While investors sometimes struggle to think of water in terms of an investable theme, we believe that assessing the effectiveness of water management will help determine which developing economies will be able to make the leap to developed economy status.

Water's role in America's growth

The experience of the United States from the late 19th century through the 1920s illustrates how effective water management allows for an economy to reach its full economic potential.



Many American cities in the 19th century resembled the overcrowded and polluted cities associated with the modern-day developing world. In the late 19th century, just 2% of New York City residents had water connections into their homes. The density of New York City at that time was a staggering 143 people per square acre, similar to present day Dhaka, Bangladesh, which is the most congested city in the world. Cities in 19th century America were dangerous places where there was inadequate access to clean fresh water and few reliable ways to dispose of wastewater. Cities were a hotbed for the spread of waterborne diseases such as cholera and typhoid.

While America's economic rise in the early 20th century is well documented, the importance of effective water management is underappreciated.

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Celebrating RBC Blue Water Day (continued from page 1)



Large investments in effective technologies around the turn of the 20th century resulted in a significant drop in the incidence of waterborne diseases in America over the ensuing 30 years. The early 20th century saw the mass proliferation of indoor plumbing, modern sewer systems, and the chlorination of water.

We believe the experience of America is just one example of how an economy only reaches its full potential if effective water management is placed at the core of the economic planning/development process.

Singapore: the ultimate water management success story

Singapore, with its lack of natural resources and local catchments, is an unlikely standard bearer for effective water management. Yet, it is just that. Singapore's per-capita GDP has skyrocketed from approximately \$500 in the 1960s to \$55,000 in 2013, concurrent with a shift in economic policy that has placed effective water management at the center of all planning decisions.

Necessity is the mother of invention. In the 1960s, Singapore was almost entirely dependent on Malaysia for its water given there is little land to collect or store rainwater in the city itself. The country currently has a diversified approach to water supply through which local catchment water, desalinated water, and reclaimed water represent 50% of total water supply. On the demand side, conservation efforts reduced per-capita water consumption by 9% between 2003 and 2016, with a further reduction of the same magnitude planned by 2030. The result of these water management efforts is that Singapore will be completely water self-sufficient by 2061.

It is impossible to imagine Singapore achieving its current level of economic prosperity without an effective water management strategy. Water management has provided tremendous health and environmental benefits, which in turn have made Singapore attractive for investment and a hub for commercial activity.

India and the challenge of water management

India, long recognized as a developing economy with enormous potential, is currently mired in a deep drought that has exacerbated a pre-existing water crisis. Some of the issues facing India from a water management perspective are reminiscent of those facing America and Singapore in previous eras, with the stakes just as high.

Over 600 million people in India do not have access to a toilet. The human and economic costs of this are real, evidenced by the fact diarrhea is still the third leading cause of infant mortality in the country. UNICEF has estimated that 88% of childhood deaths due to diarrhea were the result of inadequate sanitation, unsafe water supply, and poor personal hygiene. Malnutrition in India is as much a function of poor sanitation as it is access to food.

Bangladesh: beacon of hope for the developing world

Developing countries such as India need look no further than Bangladesh as a source of inspiration. Bangladesh has managed to reduce the percentage of its population practicing open defecation from 42% in 2003 to just 1% today, making the country one of the great water management success stories of the 21st century. Correspondingly, Bangladesh has experienced a period of impressive economic growth, much like the American and Singaporean experiences. By comparison, its neighbor India continues to record open defecation rates north of 30% with little improvement recorded in recent years. Bangladesh' progress was the result of a coordinated effort between governments, international agencies, and NGOs.

The Bangladesh and Singapore experiences should serve as a reminder to policymakers in the developing world that there is a strong interconnection between sustainable growth prospects, a healthy population, and effective water management.

Is overseas retirement right for you?



We've all heard of people "wintering" down south in an attempt to get away from Canada's cold and wet winter climate. Palm Springs, Arizona and Florida are popular U.S. destinations, but have you considered something a bit more exotic and further afield? What would this really look like and how would you decide where to go and what to do when you get there?

If you are considering an overseas retirement destination, the first thing to do is to identify your top priorities: good climate, safe environment, easy transportation, good health care, low cost of living and plenty of things to do, to name a few.

Every year, *International Living* publishes its top 10 overseas retirement destinations based on these very criteria. Here are a few highlights from their latest survey.

Portugal

One of the smallest countries in Europe, Portugal is also one of Europe's best kept secrets. Many fall in love with this little country due to its near flawless weather, abundance of golf and water sports and superb fresh food. What's not to love?

If affordability is on your checklist, consider a recent survey conducted by *International Living* claiming that a two-bedroom house on the Silver Coast can be bought for US\$96,000 while the same price could get you a three-bedroom house with a yard among olive groves and vineyards in Alentejo. In cosmopolitan Lisbon, expect to pay on average US\$900 per month to rent a one-bedroom apartment. And you can still get a coffee for 75 cents and a three-course meal at lunchtime with a carafe of wine for \$12. Enough said!

Costa Rica

Costa Rica is tucked between Nicaragua to the north, Panama to the south, the Pacific Ocean to the west and the Caribbean Sea to the east. It's known as Latin America's most peaceful nation, enjoying over 60 years of uninterrupted democratic rule. And it's a nature lover's dream, with green-carpeted mountains, towering volcanoes, waterfalls, lush valleys and endless stretches of beaches. With its slower pace of living, warm, welcoming climate, healthy, fresh foods and reputation as one of the greenest, cleanest countries in the world, it's no wonder Costa Ricans are considered among the happiest people on the planet.

Ecuador

Ecuador was the undisputed winner of *International Living's* 2015 Global Retirement Index.

From snow-capped volcanoes to dense Amazon jungle, sun-drenched Pacific beaches to the famous Galapagos Islands, Ecuador offers something for everyone. Besides its breathtaking natural beauty, Ecuador is also an incredibly affordable place to live. Whether you decide to live in the bustling city of Quito, the pretty expat favorite of Cuenca, or in one of the country's many beach towns, you'll find that your money will go a lot further than it does at home.

For further information and first hand stories from retirees already living overseas, please refer to www.internationalliving.com

What's new at the Westside Wealth Management Group of RBC Dominion Securities?

Paul's retirement announcement



Some exciting changes are happening at the Westside Wealth Management Group of RBC Dominion Securities. After 35 years in the

business, Paul recently announced his upcoming retirement.

In preparation for his retirement, Paul will be taking on a new role with the team and Mike will be taking over as our lead Portfolio Manager.

While Paul is stepping down as Portfolio Manager, he will continue to have a tremendous influence on the group's investment strategy.

Mike and Paul have been working together as partners for the past 12 years, supported by Christy, Clare, Michelle and Kate.

While some things are changing, others are staying the same, such as our commitment to providing lifelong financial solutions to a select group of highly valued individuals and families.

New graduate

Kate and Paul were extremely proud to witness their daughter Carly's graduation from McGill Engineering in June. Congratulations, Carly!



Americas Masters Games coming to Vancouver this summer

'Sport Without Limits', the inaugural Masters Games in the Pan-American region will take place in Vancouver this August. This nine-day multi-sport event, designed to complement the World Masters Games, brings mature sports competitors together from around world.

Forty-five sports, both individual and team, from archery and judo to soccer and volleyball, will be featured at the games. Kate will be competing in the 50+ women's soccer and is busy training and preparing for this exciting competition. The soccer matches will be held at UBC from August 28 to September 3.

Come out and join the fun! There will be opening and closing ceremonies downtown, nightly entertainment, beer gardens and more in the downtown games Plaza of Nations.

www.americasmastersgames2016.com



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