RBC Dominion Securities Inc.

The Stanton Report

Fall 2017

Views and opinions for the friends and clients of Investment Advisor Richard Stanton

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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 Tracy Dykens at (250) 847-6680. Please contact Tracy if you would like secure internet access to your accounts. Use our toll-free number from anywhere in North America.

A Word from Richard

It is October already, and here in the Northwest there is a chill in the air. I hope everyone had a great summer.

The Rotary Celebrity Golf Tournament was very successful again this year raising $90,000 for the B.V. Healthcare & Hospital Foundation for a CT scanner at the Bulkley Valley District Hospital.

Fall means back to school. This year Olivia started Grade 12 and Jenelle is now in Grade 9. Olivia is keeping busy working part time at Starbucks, playing piano, dance and karate. She has just started to apply at Universities for next fall. Jenelle is still going full throttle with her dancing, and is continuing on as a teacher's assistant to the really young students. She's added Volleyball and Hockey to her list of afterschool activities as well. Busy, happy girls…

I hope you all had a great Thanksgiving holiday filled with family, friends and good warm food to fill your bellies. And, of course October 31 is Halloween, one of my favorites. My oldest daughter wants to dress as a Canada Revenue Agency Auditor to scare Dad. Funny kid.

Thank you for reading, and if you have any questions regarding your portfolio or if you simply want to discuss your investment goals and objectives for the coming year, give Tracy a call or send her an email to setup an appointment either in person or via telephone.

Here is what happened over the last quarter

- **S&P/TSX Composite Index 4.4%**
- **Dow Jones Industrial Average 13.3%**
- **MSCI World Index 16.5%**
- **Crude Oil -9.6%**
- **Natural Gas -16.3%**
- **Gold 11.7%**
- **Silver 6.0%**
- **Copper 15.7%**

RBC Wealth Management
Dominion Securities

Financial planning tips for Millennials

6 main areas of focus in developing strong financial management skills.

Within Canada, the Millennial demographic - loosely defined as those between the ages of 15 and 35 - and includes approximately 9.5 million individuals and represents about 27 percent of the total population. Millennials have recently become the largest percentage within the workforce, and many in this age group will also be the receivers of wealth in the coming years or decades. With these factors in mind, as well as the fact that these years typically bring with them a number of changes personally and professionally and greater financial independence, it's important to zero in on the value of practical financial management skills and overall financial literacy. This tip sheet provides useful information and strategies within six key aspects to help Millennials build confidence and knowledge when it comes to planning and managing their financial affairs.

1. Identifying short-and long-term financial goal

For some individuals, the process of goal setting and then planning for those goals from a financial standpoint may feel like an overwhelming task when viewed on an overall scale. Additionally, for some Millennials, shifting their mindset to include long-term financial goals may be challenging, as there are often a number of more immediate needs and goals to juggle for those in this age demographic, including post secondary education, marriage, home ownership or starting a family.

What's important to recognize, however, is that defining your short- and long term financial goals is a very beneficial starting point to map out concrete plans for reaching those goals. Further to identifying them, there is also a variety of research that indicates those who write down their goals have a better chance of achieving them. Some of the factors that contribute to this improved achievement rate include increased accountability, improved ability to track progress, development of benchmarks or check points along the way, and motivation to stay on course. And regardless as to whether those goals are more immediate or farther into the future, clearly defining and recording them provides an important sense of direction for putting appropriate strategies in place.

2. Creating a structured savings plan

Regardless of the type or range of goals that you have set and are working towards, it is crucial to understand the value and importance of developing a savings plan. One highly effective approach to consider for saving is determining a specific amount to set aside on a regular basis. This is something that can be achieved through a pre-authorized contribution plan where funds are automatically taken from a paycheque and deposited in to an investment vehicle or savings account. In general, a good starting point is to direct three to ten percent of your paycheque to a savings program. As your paycheque increases over time, it is also important to revisit the amount or percentage that goes in to the account and modify it as appropriate.

The overall thinking behind this type of approach is that "if you don't see it, you don't spend it"and the pre-determined and automatic component removes the risk of going off course or making an impulse decision that isn't in line with your overall goals. This type of structure in saving also ensures ongoing positive progress towards goals and is easily tracked and monitored.

3. Building a spending plan and adhering to it

Further to establishing and using a budget (which itself should be a component in your overall plan) is the importance of developing a realistic spending plan. In today's day and age, there are a range of online programs and apps to use for budgeting purposes. And while they may be useful and convenient in some regards, the shortfall is that these types of tools cannot make the spending decisions for you; instead, they function more as a tracking method. This is where the value of a defined spending plan comes into play, as it provides a method for self-checks prior to making purchases or other spending decisions. Spending plans are most effective when they are created in alignment with the identified short and long-term goals and accurately reflect what amounts individuals are able to work with. In this sense, an appropriate spending plan functions as a helpful reminder of goals and objectives and assists in developing accountability and mindfulness in making financial decisions that you may not otherwise pay conscious attention to. RBC offers some helpful online tools and calculators in this regard, which can be accessed by visiting The Savings Spot at http://www.rbcroyalbank.com/savingsspot/tools-and-calculators.html.

4. Understanding various forms of debt, as well as considerations for paying down debt versus investing

This is a topic many individuals struggle with, as common thinking is that paying off debt should always be the priority. The main point to recognize, however, is that not all debt is created equal, so individuals need to know what types of debt they have, and then look at the interest rates on that debt in comparison with the rate of return on investments. Credit cards typically have very high interest rates and are an example of debt to pay down first, as the interest is non-deductible. On the other hand, some debt has interest that is deductible for tax purposes, such as certain types of student loans, and it may be considered debt to defer paying down. When considering where investing fits in, generally speaking, the decision needs to be based on the cost of borrowing versus the return on investing; in other words, if your after tax return on investments is more than the after tax cost of debt, investing may be a more beneficial option (keeping in mind, however, the risk behind the investment choice).

Note: to ensure your specific circumstance has been properly evaluated, it is important to consult with a qualified tax advisor.

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5. Developing a basic knowledge of investment options

This strategy closely ties back to the creation of a savings plan, as individuals need to be aware of the different types of plans and accounts that exist and the potential benefits of each, depending on one's circumstances and goals. In regards to registered accounts, two main options to examine are Tax-Free Savings Accounts (TFSAs) and Registered Retirement Savings Plans (RRSPs).

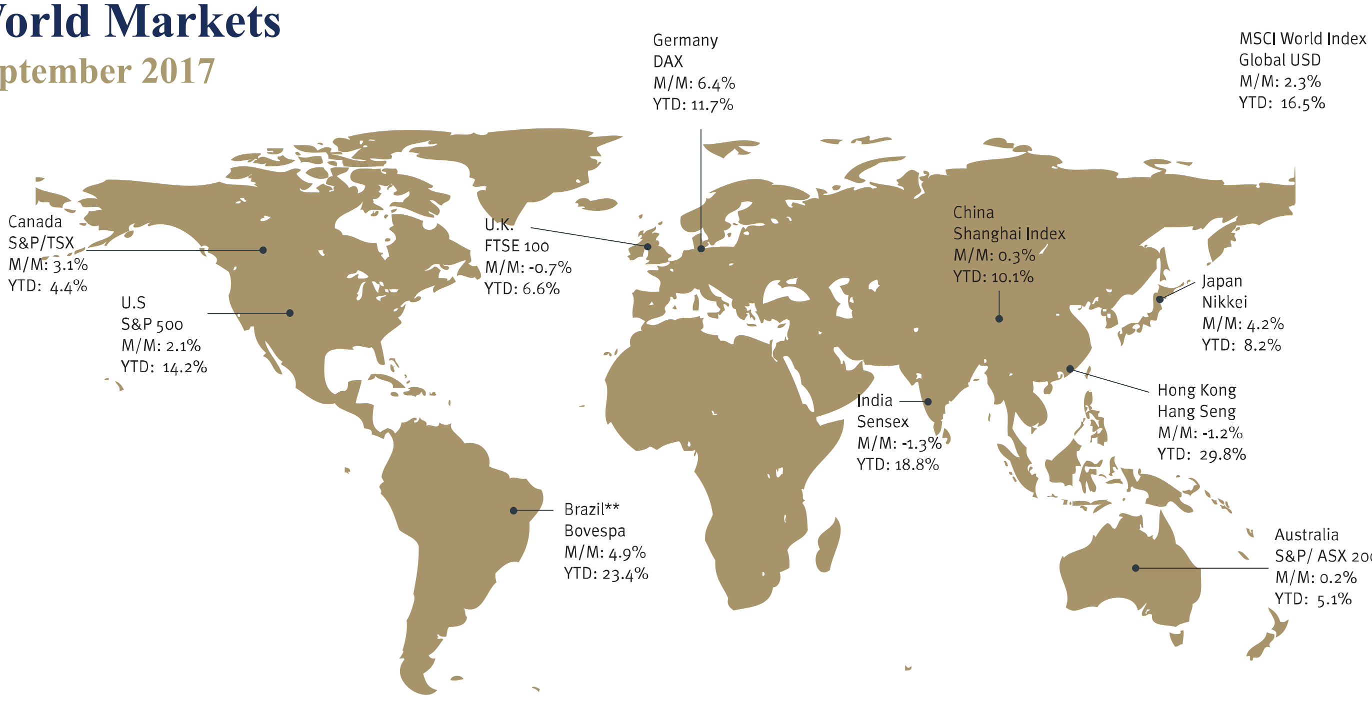
Specifically, TFSAs offer flexibility and one of the key features is the tax-free growth. TFSAs can be opened by any individual with a social insurance number who is at least 18 years of age. Individuals can contribute up to their contribution room, and carry forward any unused contribution room. An individual who was 18 years of age as of 2009 and has never contributed to a TFSA would have contribution room of $52,000 as of 2017. The amount invested in a TFSA grows tax-exempt and it can be withdrawn at any point, and the full amount of withdrawals can be put back into the TFSA in future years. This savings option often appeals to those for use with short-term goals, but it is also a worthwhile option for long term goals. RRSPs are less flexible but offer a main advantage of tax deductibility, as individuals regain some of the funds in the form of a tax refund. RRSPs also provide the use of funds for the Home Buyers' Plan, where individuals can withdraw up to $25,000 tax-free from their RRSP to use towards the purchase of their first home, as well as the Lifelong Learning Program, in which a maximum of $20,000 can be with drawn to fund full-time training or education for an individual or his or her spouse or common-law partner. If an individual has topped up their TFSA and RRSP, they may want to examine non-registered investment vehicles. Here, however, understanding taxation as it relates to interest income, dividend income and capital gains is critical, so it is important to work with a qualified advisor to make those decisions. In general for all investment considerations, speaking with a qualified advisor is worthwhile to ensure the best options are selected to suit your goals and needs, and to strategize short and long-term in the most effective ways.

6. Prioritizing overall financial literacy

When it comes to financial planning, there is great value in building and improving overall knowledge about financial topics, as research indicates there is a direct connection between high levels of financial literacy and confidence in financial decision making. With this in mind, it is important for Millennials - along with their parents or other family members - to make financial learning and literacy a priority. For some, this education may come from formal programs or online research and resources. A useful tool to consider in this regard is the Canadian Financial Literacy Database (https://www.canada.ca/ en/financial-consumer-agency/ services/ financial-literacy-database.html), which helps individuals search for information, tools and events on a wide variety of financial topics from a range of Canadian organizations. Further to programs or self-directed education is more informal learning that may occur through family members, and it is here that open communication, exposure to financial management or family discussions may prove beneficial. Another key individual to consider as a valuable resource and who can offer support and expertise in helping you build improved financial literacy skills is a qualified advisor.

World Markets

September 2017



All returns are on a total return basis unless otherwise noted. All returns calculated in local currency except MSCI World
** These indecies are calculated on a price return basis

Report Card

Interesting

- U.S. Affordable Care Act to stay intact for now
- Hawkish central banks (Fed, BoE, ECB)
- Dovish Bank of Canada
- Japan election called
- Brexit talks proceeding slowly

Negative Developments

- Geo-politcal tensions: short term (N. Korea) and long term (Three Empires / cyber)
- Natural disasters galore
- Household debt concerns linger for Canada
- China credit rating downgraded from AA+ to AA-
- NAFTA negotiations continue to stumble; U.S. protectionism rising

Positive Developments

- Global growth signals remain good
- Merkel won German election, though far-right gained ground
- U.S. tax cut plans inch forward
- U.S debt ceiling deadline extended to December
- Low inflation bottoming

"When you're done saving for my education, don't forget to start saving for my retirement."

OUT OF TOWN SCHEDULE

PRINCE RUPERT - Nov. 29th

TERRACE - Nov. 30 – Dec. 1

Professional Wealth Management Since 1901.