



Wealth Management
Dominion Securities

Our Wealth of Life process

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For most of my life, I have been in the fast lane to somewhere – whether it be establishing a business or building a family. I find it really interesting how the things that are important to me have changed a lot over my life.

When I first entered the investment world back in 1990, I thought that performance was the most important aspect of my relationship with my clients. I spent a lot of time reading about the markets, world events, research reports, annual reports and so on. This was how I conducted myself for the first 10 years of my career. One conclusion that I came to is that it is impossible to predict world events, interest rates, currencies and the stock markets, and that trying to do so is like herding cats. The most important lesson I learned is this: Own good blue-chip, dividend-paying companies that have a history of growing their dividends, and let time look after the rest.

This is not to say that the rate of return is not important, but it became

apparent to me that there were so many other financial planning issues being neglected on a regular basis – ones far more important than the rate of return. For example, clients without Wills or business partners without buy/sell agreements or proper tax planning, to name a few.

Since around the year 2000 until the present, wealth management planning has become a more important aspect of our business. Now, a big part of our relationships with the families we look after revolves around estate planning, tax planning, insurance planning and coming up with retirement cash-flow projections.

Even so, despite having a great investment portfolio and all aspects of wealth management planning looked after, over the last five years I have come to yet another realization: Generally, what is top of mind for most clients is their life circumstances, including transitioning from a career into retirement, living with an illness or supporting a loved one with an illness, dealing with the loss of a loved one or adjusting to kids moving out on their own. Then there are the opportunities that come with having the luxury of time: travel, exploring personal interests, volunteering, etc. All of this

makes up what I like to call “Our Client’s Story.”

To meet the growing demand for information and services on these subjects, our team has been hosting seminars and providing our clients with articles on fitness, nutrition, life coaching, travel, life transitions, charitable giving and volunteering, to name a few. We will continue to offer these events and resources to our clients on an ongoing basis.

This evolution of our business over the last 25 years has resulted in an approach to client service that our team calls “Wealth of Life.” Comprehensive in scope, Wealth of Life keeps us focused on building a great long-term portfolio that leverages the benefits of dividend investing and getting all the financial planning looked after. But it also keeps us focused on getting to know Our Client’s Story – because that’s where the true wealth lies.





Our approach to managing your money

If there is one thing that I really appreciate as I get older, it is the wisdom that comes from experience.

Since 1990, I have seen interest rates go from double digits down to almost nothing. I have been through up years, down years and flat years. I have seen the Berlin Wall fall, Bre-X collapse, the tragedy of 9/11, the U.S. subprime debacle and more. I have witnessed investment activity pass through trends, from small cap to large cap, growth investing to value investing, domestic to global equities and developed to emerging markets. I have seen people try to outsmart the markets by trying to time when to get in and when to get out.

What has stood the test of time is building the equity component of your portfolio with good quality, blue chip companies that pay a decent dividend and have a history of increasing their dividends over time.

So maybe I am a bit cynical when I hear someone talking about some new investment approach because what I have witnessed since 1990 is quite simple: The power of dividends. There are so many positives about good quality dividend stocks. A report from RBC Global Asset Management, "Harnessing the Power of Dividends," has shown that in Canada from December 1986 to June 2016, dividend-growing stocks have outperformed the TSX Composite Index by almost two to one, 11.7% versus 5.9%, while at the same time providing less volatility.

In addition, over this period of time the dividend yield of the TSX has grown by just over 5% annually, whereas inflation has increased by 2% annually. Current

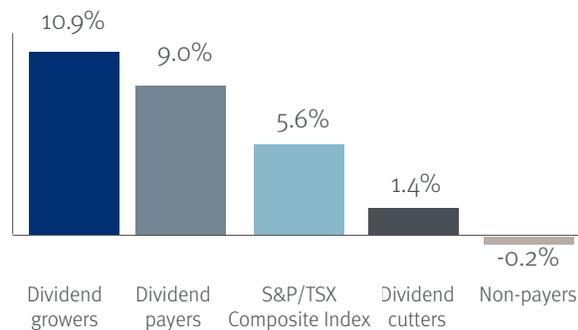
dividend-yielding portfolios of good equities can reach as much as 4% yield, whereas GICs are in the 1-2% range.

This approach is suitable for all types of investors, but especially those near to or in retirement or in need of a good tax-preferred income stream that has the potential to beat the rate of inflation throughout their retirement years. The key is not to focus on what your portfolio is worth but on what kind of income it is generating and whether it is growing to offset inflation. This is very similar to a business owner growing the income in his or her business each year without worrying about what the business is worth every day.

Our investment philosophy is very simple: Harness the power of dividends.

Dividend-paying stocks have outperformed over time

Compound annual total returns (1986 – 2018)



Source: RBC Capital Markets Quantitative Research, data is calculated on an equal weight basis, S&P/TSX Composite Total Return Index, December 1986 – December 2018. Growers, Cutters, Payers and Non-Payers determined yearly.



Our financial planning process

Sometime in the late 90s, I realized some of my clients were facing a wealth management crisis. I had clients passing away without Wills or with outdated Wills. Business owners were selling without proper tax planning in place, or maybe in partnership without a buy/sell agreement. Spouses were passing away without proper insurance to look after their families adequately ... And so on and so forth.

In order to address this gap, RBC Dominion Securities and our team have spent the last 10 years developing a very robust wealth management process.

We have an extraordinary RBC Wealth Management Services team right here in the Moncton office. This team includes our Financial Planning Specialists, Nathalie Wybouw and Mona-Lisa Lavallee, who create financial plans, and also our Estate Planning Specialist, Jason Lewis, who focuses on insurance planning. We also have two Will & Estate Consultants, Sharon Avery and Christy Sandles who come to town every month from Halifax to meet with our clients. In addition, our immediate team includes Associate Advisor Jeff Mahoney, with a background in tax and accounting, and Associate Advisor & Financial Planner Phil Cyr who holds the Certified Financial Planner designation.

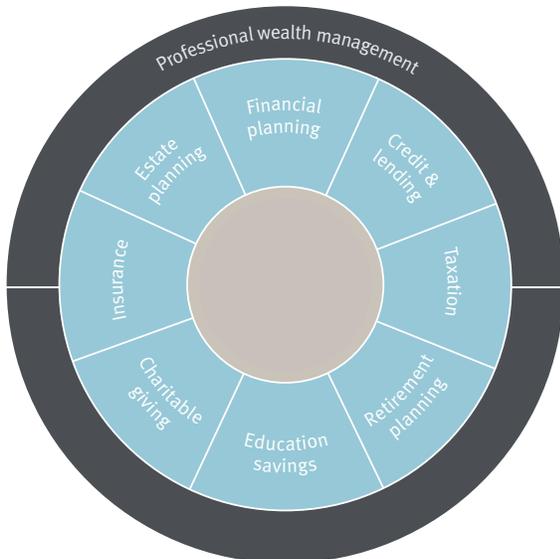
We begin our process by gathering together all of the important financial information, such as corporate structures, Wills, insurance, notices of assessment, investments, banking, etc. From here, we come up with what we call a Wealth Management Service

Road Map, which prioritizes everything that needs to be done to get all the wealth management planning in a coordinated order.

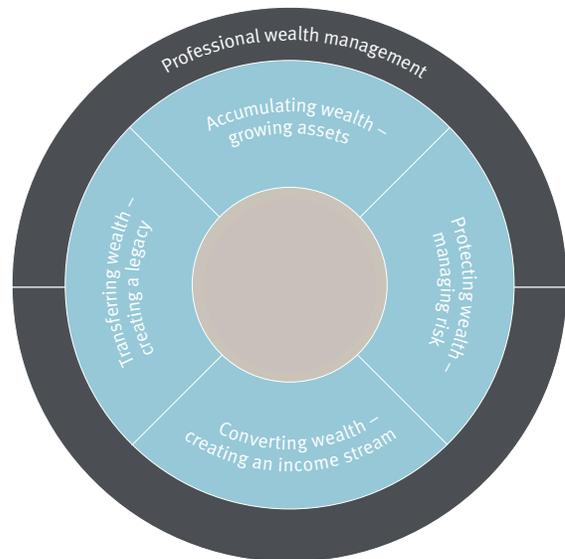
For example, we may determine that getting a Will or updating a Will is the most important item on the list. Or maybe the most important item is to get proper corporate tax planning in place. It could be an insurance review, a financial plan to determine retirement cash flow or the proper structuring of investments for tax purposes. There are usually quite a few items to work on and at the very least a couple of items. Then, it is up to you as to whether this gets done as soon as possible or, in some cases, over the course of a few years.

This whole approach provides guidance for whatever stage of life you are in, whether you are trying to grow your assets, manage risk, create retirement income or deal with estate issues.

Comprehensive wealth management



Wealth planning for each life stage





Our Client's Story

The third aspect of our Wealth of Life process is what we like to call Our Client's Story. It encompasses a number of aspects: your relationship with your money, current life circumstances, wellness and aspirations for the future. For us as your advisors, the more we understand your story, the better we can manage your money and assist you with financial planning. But perhaps more importantly, we want to know your story because we care about you.

When asked, "What does having money mean to you?" our clients have various responses. The most common is, "Money provides security and independence." Another common one is, "Money is a measure of success or hard work." For others it may be power

and control. You can see then why market volatility could affect someone's sense of security and safety.

Life circumstances are very important, and everyone has something going on in their lives that is front of mind. It could be related to health, heading south for the winter, preparing a business sale or managing relationships. Everyone has been occupied with events that put their financial lives in perspective and make it irrelevant whether they own RBC or TD stock, or whether they had their business succession plan in place.

With our aging population, more and more of our clients are facing a health issue that they are trying to work through both physically and mentally. Conversations with our clients about exercise, nutrition and life balance occur almost daily. How you are feeling in the present and your expectations for the future will directly affect how you feel about your money and your desire to get financial planning in order.

Where we are headed and our expectations for the future are very important as well. Some people are working hard today for a "someday" down the road. For some, retirement is about travel. For others, it may be about working around the garden or yard. It might be about salmon fishing or golf. Then there are those individuals who are just trying to enjoy the ride.

Our team needs to know your story in order to better understand how to manage your money and assist with your financial planning. We want to know your story because we care about you. It's that simple.

To learn more about our approach, or get started on your own Wealth of Life assessment, please contact our team today.

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