

The Financial Corner with Joanne Vesprini



Victoria, BC



A quarterly newsletter filled with practical wealth management advice that covers various aspects of financial well-being

Fall 2021

- Creating an Enduring Legacy
- Top five things to consider before naming your executor – or agreeing to be one

My thoughts,

In the US the recovery has remained on track, for the most part, with first and second-quarter GDP having risen by 6.3% and 6.6% respectively. This has mainly been led by gains in consumer and business investment, the reopening of establishments, and a vigorous governmental response to the pandemic. This growth has led to a temporary surge in pricing pressures and is causing the second-half business outlook to seem less compelling than earlier.

Of course a major concern is a rise in COVID-19 cases, owing to the Delta variant. With the preventive vaccines being less popular in the US this is an issue for concern.

Even with these challenges, the bull market is likely to persevere into the fourth quarter. There may be some volatility as things are unsettled and questions remain. This is often the case and is the reason to remain diversified with a long-term strategy.

Rising yields will also contribute to the potential market wobbles. It is important to keep falling bond prices in perspective; as long as the investment horizon of your bond portfolio is longer than its average duration, rising bond yields will increase your overall returns in the long run.

One of the best quotes I read this month is “Worrying about every wrinkle in the market cycle is a waste of mental & emotional energy”. Hence keeping your investment time horizon in mind will help you weather the wobbles along the way.

Enjoy the fall and have a happy thanksgiving!

Joanne

CREATING AN ENDURING LEGACY

RBC CHARITABLE GIFT PROGRAM

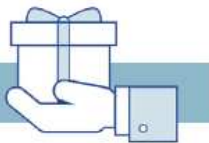
Whether you want to help advance life-saving medical research, boost educational efforts, sustain environmental initiatives, support the arts or assist others, your charitable giving can have a real and lasting impact in your community and beyond.

A CONVENIENT WAY TO CREATE YOUR LEGACY

The RBC Charitable Gift Program (CGP), (1) administered by Charitable Gift Funds Canada Foundation, helps make charitable giving easier for you and your family. The CGP is a simple and efficient way to give during your lifetime and/or from your estate that combines immediate tax benefits² with the flexibility to support your favourite charities³ over time and across generations. Establishing a charitable gift fund (CGF) provides many of the same advantages as a private foundation, without the upfront costs, complexity and ongoing administration responsibilities. **Easy to establish and comparatively low in cost, a CGF is a flexible fund that you can tailor to your philanthropic goals.**

How does it work?

1 – GIVE



Founding donor(s) establishes and names CGF

- Initial irrevocable donation minimum of \$25,000 is made now or planned in advance as an estate gift.⁽²⁾
- Donor receives tax receipt for the fair market value of the donation.

2 – GROW



Donation is held and invested within the named CGF

- Donated funds grow in a tax-exempt manner.
- Funds are managed by your RBC advisor, allowing for a customized, balanced investment approach.
- Your RBC advisor continues to work closely with you to help ensure your charitable giving goals complement your overall wealth management approach and fit into your financial plan,⁽²⁾ over your lifetime and/or from your estate.

3 – GRANT



Founding donor(s) and grant advisor(s) submit grant requests for their charities³ of choice

- Grant requests must be a minimum of \$250.
- Grant requests are unlimited, can be automated or made on-demand.
- Founding donor(s) can name grant advisors — persons who can also make grant requests from the CGF.
- Grant amounts and recipients can differ with each grant request.

“Change is inevitable. Growth is optional.”
Anonymous



RBC Wealth Management
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Flexible program benefits

- Support charities³ that are close to your heart, now and in the future, including from your estate.
- Ability to contribute a wide variety of gifts — cash, securities, insurance policies.
- Plan ahead for an estate gift. Open and name a fund, and set legacy plans in place, without needing to make a donation now.
- A flex fund means no time restrictions on being able to dip into your capital contributions. This allows you to customize your charitable giving and granting on timelines that suit you.

Continuity

A CGF enables you to include family or others now in your lifetime by naming them as grant advisor(s) and to continue your giving across generations as named fund successor(s) to carry on your charitable legacy.

If you name an individual as a fund successor, that person plays a similar role to that of the founding donor(s). If you choose not to name a fund successor, the foundation can be left to administer your fund and you can provide your legacy intentions so that grant requests will continue according to your preferences. Your grant advisors, fund succession and legacy intentions can be updated at any time.

Trust

The RBC CGP is committed to the highest standards of professional practice and compliance.

Impact

Through both how and when you make contributions² and grant disbursements, the RBC CGP allows you to shape and define your giving — whatever your areas of interest, you can make a difference for the causes³ you care most about.

Fund features

Description	A flexible style of fund with unlimited grant-making privileges designed to satisfy short-, medium- or long-term philanthropic objectives
Initial gift	\$25,000 (minimum irrevocable contribution)
Investment approach	Balanced/conservative portfolios; work with your trusted RBC advisor
Granting requests	Minimum \$250 per grant (automated or on-demand grants)
Additional contributions	Make charitable contributions from personal or corporate holdings as part of your ongoing financial planning ²
Revocable features	Name the fund, grant advisor(s) and fund successor(s)
Fund succession	Set someone as fund successor who you want to take over your fund or set your legacy intentions to have the foundation manage your fund according to your charitable ³ wishes

Program expense recovery charges⁴

Up to \$100,000	0.80%	Up to \$5,000,000	0.48%
Up to \$500,000	0.75%	Up to \$7,500,000	0.465%
Up to \$1,000,000	0.65%	Up to \$10,000,000 ⁵	0.43%
Up to \$2,500,000	0.50%	Minimum monthly fee	\$40

1. The RBC Charitable Gift Program (CGP) is administered by Charitable Gift Funds Canada Foundation, an independent, non-profit registered charity registered as a public foundation with the Canada Revenue Agency.

2. Making a contribution into a charitable gift fund (CGF) is irrevocable. Before making a charitable gift, clients should consult with their RBC advisor and a qualified tax advisor as to how a donation will impact their financial situation.

3. Charities/causes refers to qualified donees. Qualified donees are organizations that can issue official donation receipts for gifts they receive from individuals and corporations. Qualified donees are eligible to receive grants from charitable gift funds.

4. Rates do not include Investment Management Fees. For a full explanation of rates, speak to your RBC advisor.

5. For fund balances over \$10MM, speak with your RBC advisor.



TOP FIVE THINGS TO CONSIDER BEFORE NAMING YOUR EXECUTOR – OR AGREEING TO BE ONE

1. Objectivity

The loss of a loved one can be a very emotional time, and family members can sometimes argue over the estate. Choosing an executor who can remain objective and focused on the task at hand is important. Is your potential executor considered a neutral party in the eyes of beneficiaries? Are they emotionally stable and supportive? Are they able to navigate complex family dynamics? And, are they able to understand and communicate your wishes effectively?

Executor's view: Ask yourself if you want to be put in the center of a family's dynamics, and can you remain neutral and fair? Are you able to properly convey the deceased's desired legacy effectively? Can you carry the burden of executorship and remain level-headed, even when you are in mourning?

2. Capability

Your executor will need to undertake various tasks, including but not limited to: assessing the value of assets; filing tax returns; establishing trusts; managing investments; and dispersing the estate's assets. It's important to assess your potential executor's level of knowledge and comfort in these areas.

Executor's view: Consider whether you have the skills to properly manage an estate, and whether you understand the extent of the requestor's estate. Do they have a business that needs to be sold, or complex assets that are difficult to manage?

3. Jurisdiction

If your potential executor lives in a different jurisdiction, it may be more difficult for them to understand and navigate the estate settlement process and the laws and regulations of your province, state or country. Consider their network of

expertise (e.g., real estate agents, bankers, wealth advisors, etc.), which may be excellent in Vancouver where they live, but non-existent in Toronto where you live. This can be an even more acute challenge if they live outside Canada.

Executor's view: Are you familiar with the estate settlement process, and the laws and rules, even the culture, in the jurisdiction of the requestor? Who do you know there that can help you through the estate settlement process? Do you speak the local language?

4. Time

Does your executor have the time to carry out their duties? Is it realistic for them to travel from their home to wherever they need to be, and to remain there for an extended period of time or return often? Are their own circumstances, such as work or family, likely to prevent them from being able to reasonably execute their duties?

Executor's view: Ask yourself if you have the time, energy, flexibility and even the inclination to undertake the task of being an executor. If you fail in certain duties you can be legally liable – is that something you are prepared for?

5. Age and health

It's natural to want to appoint someone you know and trust as your executor. But also consider that if you pick a good friend or family member close in age to you, are they likely to outlive you? What's their health like? If they are older or in failing health, they may not be the right choice.

Executor's view: It's important to consider your own health and longevity. As much as you may want to help, are you likely to be in your later years yourself by the time you are needed? What toll will being an executor take on you, and will you be able to meet the challenge?

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Anonymous



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