

RBC Dominion Securities Inc.

Sample Initial Financial and Goal Planning

Strategic Wealth Management Plan

Personal & Confidential

- Prepared personally for you by:
- The Vastis Advisory Group
- www.vastisgroup.com



Wealth Management
Dominion Securities



An effective plan is designed around your goals and priorities.

There are many products, services, and pitfalls in the wealth management world. It can be overwhelming and confusing.

Our role at RBC Wealth Management is to help make it simpler, so you and your family can make smart financial decisions and enjoy great outcomes.

Our Commitment to Our Clients

- Every client has a written strategic financial plan, revisited regularly
- Every client has an up-to-date Will
- Every client has had a comprehensive estate planning review
- Every client uses tax efficient investment strategies
- Every client has a named and well-considered executor and power-of-attorney
- Every client has a personalized investment portfolio with transparent costs
- Every client has been offered a fully digital experience including online reporting, tax documents, and remote meetings.



Components of Mike and Mary's strategic plan

1. **Your Goals**
 - Goal definition
2. **Your myGPS™**
 - Current and Projected Net Worth
 - Current Cash Flow
 - Projected Income and Distribution
 - Estate Impact Analysis
 - Life Insurance Analysis
3. **Your Strategies and Opportunities**
 - Action items completed
 - Action items deferred
 - Action items pending
4. **Your Portfolio**
 - Holdings and Returns
 - Guiding Principles
 - Research & Governance
 - Investment Outlook
5. **Your Service Choices**
 - Asset Allocation Models
 - Investment Policy
 - Account types
 - Portfolio Structure and Taxation
 - Portfolio Costs
 - Portfolio Holdings & Returns
 - Portfolio Changes
6. **Your Other Financial Relationships**
 - Communication with our team
 - Reporting and online services
 - Banking
 - Accounting and Legal



RBC Wealth Management
Dominion Securities



Family Enterprise Advisor



1. Your goals

Without well defined goals, we risk taking on too much risk,
paying too much in tax, or having unwanted estate outcomes.





Your Goals

Documents Reviewed

- myGPS Questionnaire*
- Written Financial Plan* from previous firm
- Investment Policy Statement* from previous firm
- Notice of Assessment* (shows taxable income and RRSP contribution room)
- Investment Statements* from previous banks, brokerages, or investment companies
- Employer Pension Statement* or *Group Retirement Plan Statement*
- Stock Option Statement*
- Canada Pension Plan (CPP) Statement of Contributions*
- Documentation for numbered or holding companies or professional corporation
- Personal Loan &/or Line of Credit Statements*
- Mortgage Statement*
- List of properties (include secondary residences and rental properties)
- Powers of Attorney, Wills* and other relevant legal documentation
- Life and Disability Insurance Policy Statement*





Your Goals

Your family

- You have 2 children (Jack and Jill) in their 30s
- You have two grandchildren and are enjoying the role of grandparents
- Mike's parents Clarke and Jill Jones live in Exeter and Mary's parents Judy and Jack Lee live in Toronto
- You have a large extended family, and spend considerable time together each summer at the family cottage

Your interests

- You are currently busy with expansion of the family business that was started by Jane's mother.
- You both love to golf
- Mary loves to cook and do yoga
- Mike is a former competitive curler and continues to curl
- You love to walk your two dogs Fido and Max





Your Goals

Your financial goals

- Maintain cottage for next generation.
- Simplify finances!
- Understand income needed in retirement and sources.
- Make more in portfolio.
- Protect business if something happens to Mom.
- Prepare for unexpected business sale.

Your financial values and comfort with risk

- You have participated in stock investing since 2001.
- You describe yourselves as conservative investors but accept that some risk will be required to meet your goals.
- You would be uncomfortable with a portfolio drop of more than 10% in a given year.
- You take significant risk in your business, so want less in your investment portfolio.
- Your business is auto parts, so you don't want more exposure there.
- You are interested in investing with companies that score highly on environmental/ social/ governance (ESG) ratings.
- You are not interested in day-to-day investment selection or decision making.





2. Your myGPS™

myGPS allows us to take a look into your financial future, and help us judge whether you will have enough to meet your goals.

- How could your net worth change over time?
- What effect will spending or savings changes have?
- What will your sources of retirement income be, and when?
- What will your estate and tax liabilities look like at death?
- What happens if something goes wrong along the way?





myGPS

Assumptions

Your financial projections are based on these assumptions:

- Retirement at age 65 (K) and 66 (A)
- Major purchase of a cottage at age 55 for \$500,000.
- Your investment portfolio earns 4.5% per year, annualized.
- You wish to spend \$100,000 per year, in today's money, during retirement.
- Inflation averages 2% over your lifetime.

How are you doing?

Your planning projections been updated as of
April 30, 2020

You are currently **on track** to meet your financial goals!



myGPS™ Report

January 09, 2020

Chad Starling
and Maria Starling

SAMPLE – FOR ILLUSTRATIVE PURPOSES ONLY
Fredericton, NB



RBC Investment Advisor

RBC IA

155 Wellington Street
Fredericton, NB
506-123-4567

myGPS™ - your Goals, Priorities, and Solutions



Wealth Management
Dominion Securities



Client Information

	Chad	Maria
Current Age	47	45
Date of Birth	Nov 1972	Dec 1974
Retirement Age	60	58
Life Expectancy	95	95
Citizenship	Canadian	Canadian
Employment Status	Business Owner	Employee
Retirement Expenses Begin with Retirement of		Chad
Locked-in Plan Jurisdiction		NB LIF
Retirement Expenses	\$42,500	\$42,500
Retirement Expenses for Surviving Spouse (%)	80.00%	80.00%
DCPP - Employer Annual Savings Until Ret.	\$0	\$11,220
Locked-in Plan Conversion Age	60	58
RRSP Conversion Age	71	71
CPP/QPP Benefit Age	60	60
OAS Benefit Age	65	65

General

Real Estate Lifestyle Assets	2.00 %
Other Lifestyle Assets	2.00 %

Household

	Age	Date of Birth	Citizenship
Dreiser	15	Jan 2005	Canadian
Elizabeth	18	Jun 2001	Canadian
Irena	6	May 2013	Canadian
Thad	79	Jan 1940	Canadian

Non-Registered Investor Profile

Pre-Retirement	Growth	Retirement	Balanced
Asset Allocation		Asset Allocation	
Cash	2 %	Cash	2 %
Fixed Income	28 %	Fixed Income	43 %
CDN Equities	23 %	CDN Equities	19 %
U.S. Equities	25 %	U.S. Equities	20 %
Foreign Equities	16 %	Foreign Equities	12 %
Emerging Markets	6 %	Emerging Markets	4 %
Total Rate of Return	5.83 %	Total Rate of Return	5.28 %

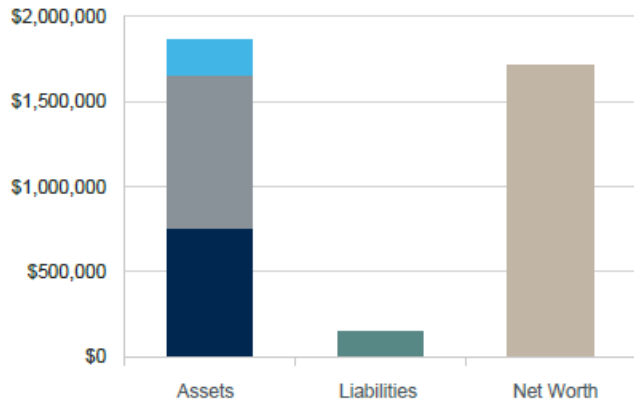
Other Profiles

	Pre-Retirement Rate of Return	Retirement Rate of Return
Corporate	5.83 %	5.28 %
Registered Retirement Accounts	5.83 %	5.28 %
Locked In Retirement Accounts	5.83 %	5.28 %
TFSA	5.83 %	5.28 %

Registered Retirement Accounts may include RRSP, RRIF and PRIF accounts. Locked-In Retirement Accounts may include DCPP, LIRA, LIF, and LRIF accounts.



Current Net Worth



	Chad	Maria	Joint	Total
Personal Investable Assets	\$435,000	\$260,000	\$65,000	\$760,000
Lifestyle Assets	\$0	\$0	\$900,000	\$900,000
Corporate Investable Assets	\$200,000	\$0	\$0	\$200,000
Total Assets	\$635,000	\$260,000	\$965,000	\$1,860,000
Total Liabilities	\$0	\$0	\$150,000	\$150,000
Net Worth (Assets - Liabilities)	\$635,000	\$260,000	\$815,000	\$1,710,000

■ Personal Investable Assets
 ■ Lifestyle Assets
 ■ Corporate Investable Assets
■ Total Liabilities
 ■ Net Worth

Personal Investable Assets

Ownership	Account Number	Institution	Account Type	Book Value	Market Value
Maria Starling			DCPP	\$0	\$75,000
Total DCPP				\$0	\$75,000
Joint			Non-Registered	\$60,000	\$65,000
Total Non-Registered				\$60,000	\$65,000
Chad Starling			RRSP	\$0	\$400,000
Maria Starling			RRSP	\$0	\$150,000
Total RRSP				\$0	\$550,000
Chad Starling			TFSA	\$0	\$35,000
Maria Starling			TFSA	\$0	\$35,000
Total TFSA				\$0	\$70,000



Total Personal Investable Assets **\$60,000** **\$760,000**

Personal Investable Assets - When necessary, investment assets are liquidated on the most favourable basis possible (e.g. considering tax implications of sale). Registered funds are converted no later than the year you turn age 71. Locked-in funds (DCPP and LIRA) are converted to a LIF at retirement (no earlier than age 55 or no later than the year you turn age 71). In certain jurisdictions (Ontario, Alberta, Manitoba and Saskatchewan), it is assumed that the maximum allowable portion will be unlocked and transferred to an RRSP.

Part or all of the Book Value and/or Market Value in this report may have been provided by a source other than RBC Dominion Securities. As such, RBC Dominion Securities is not responsible for the completeness or accuracy of the information provided.

Lifestyle Assets

Property Type	Ownership	Description	Year Purchased	Year Sold	Purchase Price	Market Value
Principal	Joint				\$350,000	\$600,000
Secondary	Joint		2000		\$120,000	\$300,000
Total						\$900,000

Lifestyle Assets - Lifestyle Assets refers to the value of all forms of real property. Purchase Price and Market Value information are not provided by RBC Dominion Securities. As such, RBC Dominion Securities is not responsible for the completeness or accuracy of the information provided.

Liabilities

Type	Ownership	Rate	Amortization	Repayment Year	Outstanding Balance
Mortgage	Joint	4.00%	8 years	2026	\$150,000
Total					\$150,000

Investment loans are repaid in full as a lump sum payment at the end of the amortization period.

Lump sum loan repayment does not include any penalties for early repayment.



Corporate Investor Profile

Pre-Retirement	Growth	Retirement	Balanced
Asset Allocation		Asset Allocation	
Cash	2 %	Cash	2 %
Fixed Income	28 %	Fixed Income	43 %
CDN Equities	23 %	CDN Equities	19 %
U.S. Equities	25 %	U.S. Equities	20 %
Foreign Equities	16 %	Foreign Equities	12 %
Total Rate of Return	5.83 %	Total Rate of Return	5.28 %

Corporate Investable Asset(s)

Ownership	Account Type	Description	RDTOH Balance	CDA Balance	Book Value	Market Value
Chad Starling	Holding Company		\$100,000	\$100,000	\$50,000	\$200,000
Total						\$200,000

Corporate Investable Asset(s) - Corporate Investable Asset(s) refers to the investable assets held by the corporation. Book Value, Market Value, RDTOH Balance and/or CDA Balance in this report may have been provided by a source other than RBC Dominion Securities. As such, RBC Dominion Securities is not responsible for the completeness or accuracy of the information provided.

RDTOH - The RDTOH (Refundable Dividend Tax on Hand) is a notional account that keeps track of the amount of refundable Part I tax plus the Part IV tax that has been paid to the Canada Revenue Agency (CRA) but has not yet been recovered.

CDA - The CDA (Capital Dividend Account) accumulates the non-taxable/non-allowable portion of capital gains and capital losses. A positive balance in the CDA can be paid out to the shareholders as a tax-free capital dividend.

Investment Account Deposits

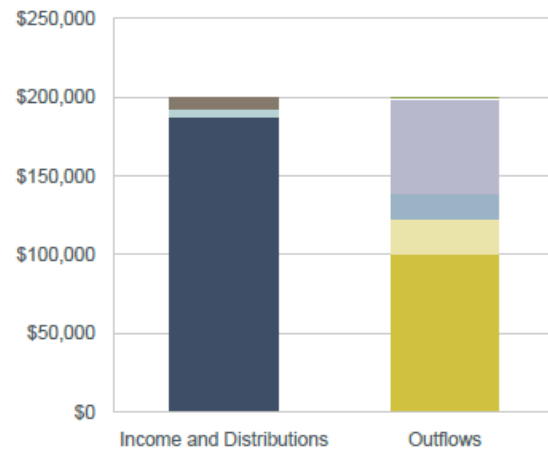
Client Name	Account Type	Description	Annual Amount	Start	End	Indexation Rate
Chad Starling	Holding Company		\$10,000	2020	2032	2.00 %

Deposits to Corporate Investable Assets start Jan 1 and end Dec 31 for the Year selected.

Dividend strategies may be found in the Cash Flow Assumptions section.



Current Cash Flow



Incomes

- Employment Income
- Rental Income
- Other Income
- CPP/QPP & OAS Income
- Pension Income
- Non-Registered Distributions
- Registered Distributions
- Tax-Free Proceeds (Lifestyle Assets)
- Private Corp. Dividends

Expenses

- Expenses & Donations
- Debt Payments
- Savings
- Reinvested Distributions
- Income Taxes

Surplus / Deficit

- Surplus
- Deficit

	Chad	Maria	Joint	Total
Employment Income	\$0	\$187,000	\$0	\$187,000
Rental Income	\$0	\$0	\$0	\$0
Other Taxable Income ¹	\$0	\$0	\$0	\$0
Other Non-Taxable Income ¹	\$5,000	\$0	\$0	\$5,000
CPP/QPP and OAS Income	\$0	\$0	\$0	\$0
Pension Income	\$0	\$0	\$0	\$0
Private Corp. Dividends ²	\$0	\$0	\$0	\$0
Non-Registered Distributions	\$0	\$0	\$8,689	\$8,689
Registered Distributions	\$0	\$0	\$0	\$0
Tax-Free Proceeds (Lifestyle Assets)	\$0	\$0	\$0	\$0
Total Income and Distributions	\$5,000	\$187,000	\$8,689	\$200,689
Expenses and Donations	\$0	\$0	\$100,000	\$100,000
Mortgage Payments	\$0	\$0	\$21,913	\$21,913
Personal Loan Payments	\$0	\$0	\$0	\$0
Investment Loan Payments	\$0	\$0	\$0	\$0
Total Debt Payments	\$0	\$0	\$21,913	\$21,913
Non-Registered Savings	\$0	\$0	\$0	\$0
DCCP Employee Contribution	\$0	\$16,563	\$0	\$16,563
Total Savings	\$0	\$16,563	\$0	\$16,563
Reinvested Distributions ³	\$0	\$0	\$0	\$0
Total Cash Outflows	\$0	\$16,563	\$121,913	\$138,476
Income Taxes	\$0	\$60,076	\$0	\$60,076
Surplus / Deficit				\$2,138

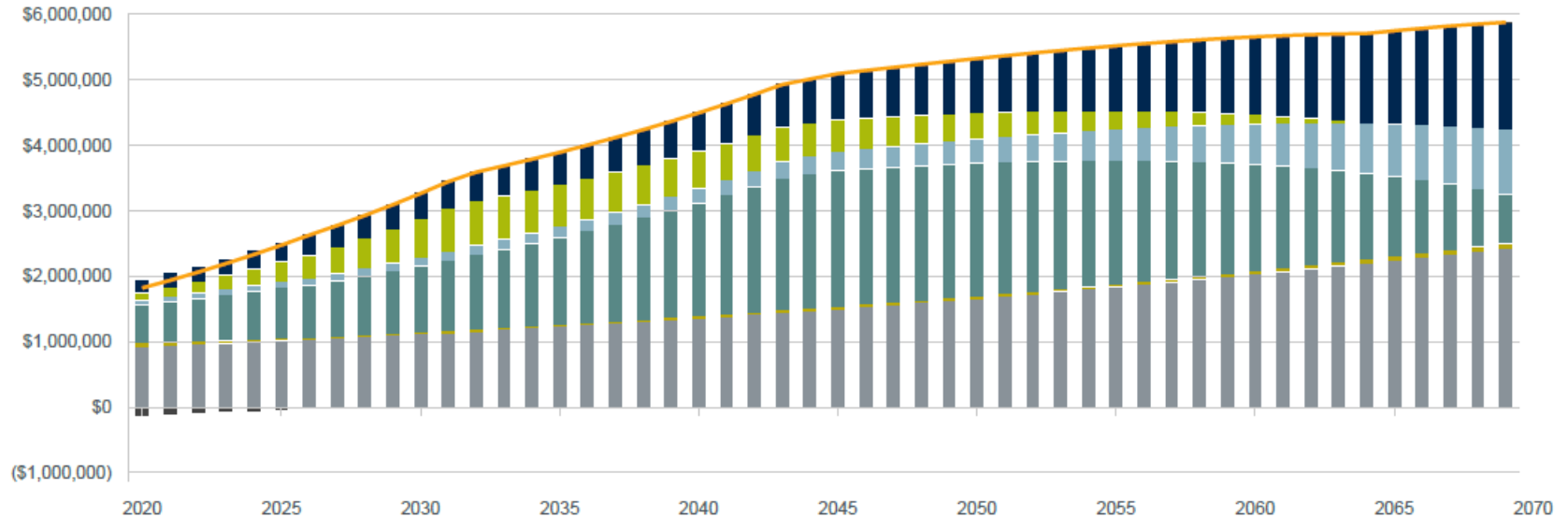
¹ Other Taxable Income is income that is earned, taxed, and is not classified as Employment, Rental, CPP/OAS or Pension Income. Other Non-Taxable Income is income that is not classified as Employment, Rental, CPP/OAS or Pension Income; tax free dividends from CDA are included in this figure.

² Includes dividends that are linked to a Corporate Investment Asset.

³ Includes reinvested distributions from Non-Registered accounts.



Projected Net Worth - Graph



Based on the information provided, you may have sufficient investment capital to meet your anticipated income needs.

- Lifestyle Assets
- Non-Reg Assets
- RRSP/RRIF Assets
- TFSA Assets
- RESP Assets
- Locked-In Assets
- Corporate Investable Assets
- Liabilities
- Net Worth

This projection, along with the Projected Cash Outflow and the Projected Income and Distribution provides an overview of your ability to meet your spending goals. It is important to understand that the analysis is dependent upon many assumptions (e.g. tax rates, investment returns, etc.) and therefore must be viewed as only an estimate of your future situation and do not reflect future values or future performance of any investment.

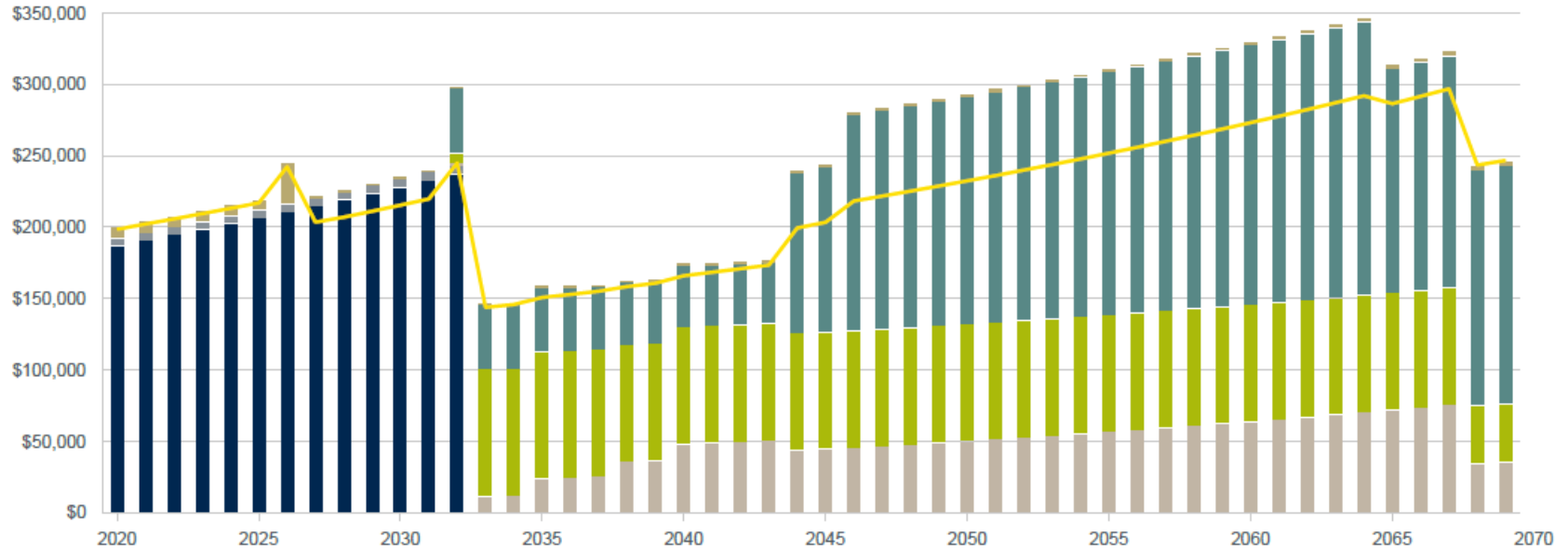
This financial projection should be reviewed and updated regularly. You should not act or rely on this information without seeking the advice of an appropriate professional advisor.

Scenario

Retirement Age	60	58
Retirement Year	2032	2032
Life Expectancy	95	95
Expenses in Retirement	\$42,500	\$42,500



Projected Income and Distribution - Graph



Based on the information provided, you may have sufficient investment capital to meet your anticipated income needs.

Income:

- Employment
- Rental
- Other
- CPP/QPP & OAS
- Pension
- Private Corp. Dividends

Distribution:

- Registered
- Non-Registered
- Tax-Free Proceeds
- Other:**
- Deficit
- Cash Outflows

This projection, along with the Projected Cash Outflow and Projected Net Worth, provides an overview of your ability to meet your spending goals. It is important to understand that the analysis is dependent upon many assumptions (e.g. tax rates, investment returns, etc.) and therefore must be viewed as only an estimate of your future situation and do not reflect future values or future performance of any investment.

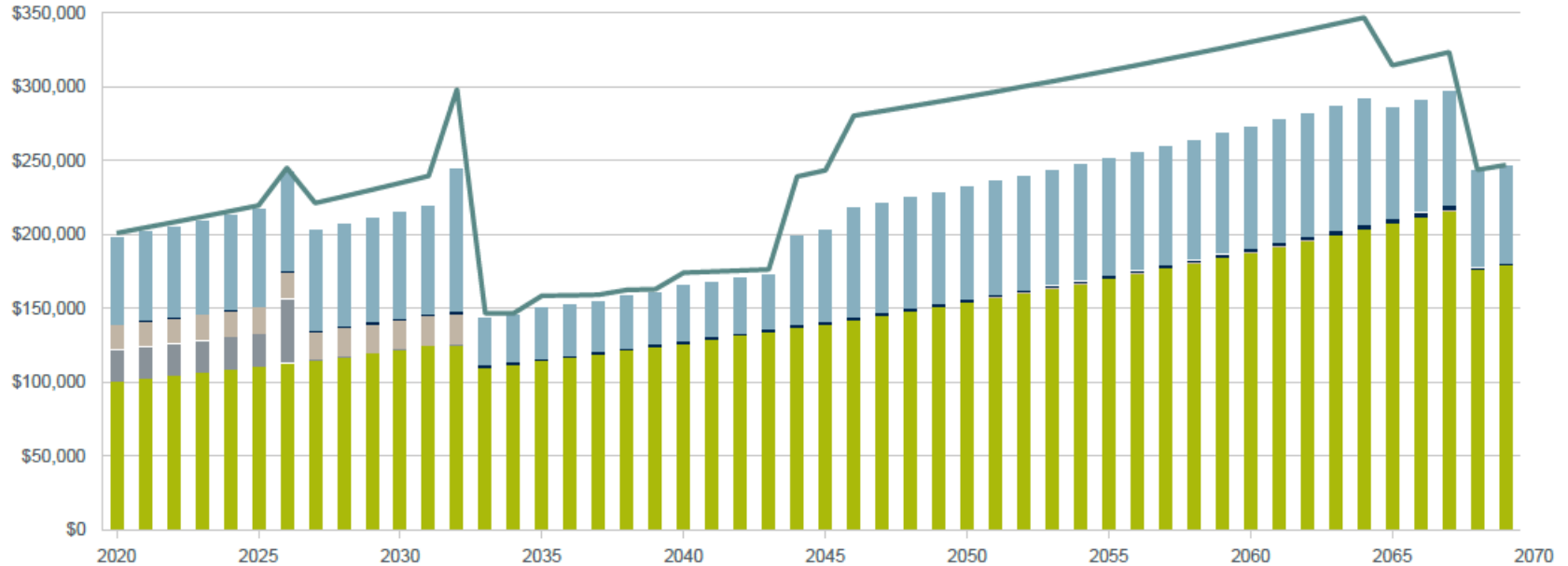
This financial projection should be reviewed and updated regularly. You should not act or rely on this information without seeking the advice of an appropriate professional advisor.

Scenario

Retirement Age	60	58
Retirement Year	2032	2032
Life Expectancy	95	95
Expenses in Retirement	\$42,500	\$42,500



Projected Outflows - Graph



Based on the information provided, you may have sufficient investment capital to meet your anticipated income needs.

- Expenses & Donations
- Debt Payments
- Savings
- Reinvested Distributions
- Taxes
- Cash Inflows

This projection, along with the Projected Income and Distribution and Projected Net Worth, provides an overview of your ability to meet your spending goals. It is important to understand that the analysis is dependent upon many assumptions (e.g. tax rates, investment returns, etc.) and therefore must be viewed as only an estimate of your future situation and do not reflect future values or future performance of any investment.

This financial projection should be reviewed and updated regularly. You should not act or rely on this information without seeking the advice of an appropriate professional advisor.

Scenario

Retirement Age	60	58
Retirement Year	2032	2032
Life Expectancy	95	95
Expenses in Retirement	\$42,500	\$42,500



Estate Impact Analysis Graph

The estate impact analysis excludes your corporate investable assets and any tax related to the deemed disposition of your corporate assets and/or shares. Contact your RBC advisor to find out how an RBC Estate Planning Specialist may assist you in your corporate estate planning needs.



The analysis estimates taxes and burial costs less current life insurance (but not mortgage insurance) if you both die in any year. All values are rounded up to the nearest \$1,000.

Current Estate Impact Analysis

The net increase on your estate should you die immediately is: **\$818,000****

Estate Shrinkage At Survivor Life Expectancy (95)

The net decrease on your estate should the survivor die at age 95 is: **\$566,000****

Consideration - Maximum Estate Shrinkage

The maximum estate shrinkage from 2020 to 2069 occurs in 2045 and is: **\$1,461,000****

Taxes At Death (2020)

Total Net Worth (Excluding Corporate Investable Assets)	\$1,608,000
Plus: Total Life Insurance Proceeds	\$1,200,000
Less: Total Taxes Payable At Death	\$353,000
Less: Average Burial Expenses*	\$30,000
Total Net/Final Estate	\$2,425,000

* Average burial expenses are \$15,000 per person, indexed to inflation.

** A reduction in the value of your estate is known as estate shrinkage. The calculation of the estate shrinkage consists of comparing the total of burial expenses and income taxes payable to the amount of insurance coverage in place at death. Note that probate fees are not included in the analysis.

You may need additional insurance coverage

You should review this analysis with your advisor to determine what amount of estate shrinkage is tolerable within your estate plan.



Life Insurance Coverage

Ownership	Type	Death Benefit Insured	Beneficiary	Policy Issuer	Policy Number	Cash Surrender Value ¹	Cease Date (MM/DD/YYYY)
Maria Starling	Group	\$100,000	Maria Starling	Chad Starling			12/01/2027
Chad Starling	Term	\$850,000	Chad Starling	Maria Starling			11/01/2041
Maria Starling	Term	\$250,000	Maria Starling	Chad Starling			12/01/2044

Footnotes
¹The Cash Surrender Value (CSV) is a point-in-time value for information purposes only. Please note that CSVs do not impact the retirement analysis and are excluded from net-worth illustrations and cash-flow projection calculations within myGPS™.

Other Insurance

	Chad	Maria
Disability Insurance	No	No
Critical Illness Insurance	No	No
Long Term Care	No	No

Estate Questionnaire

	Chad	Maria
Do you have an up-to-date Will?	Yes	Yes
Do you have an up-to-date power of attorney?	Yes	Yes
Will you be an executor of someone's estate?	Yes	Yes
Who will be the executor of your estate?	Spouse	Chad

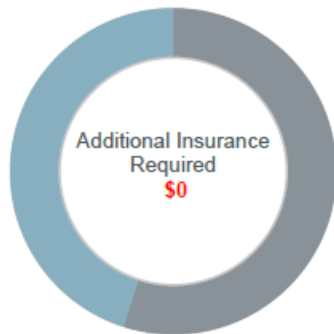


Life Insurance Analysis

The following illustrates the financial impact caused by the risk of a premature death on your financial situation and its impact on your personal estate objective. This will provide an indication of the potential impact of any deficiencies that may exist.

Expected Yield for Life Insurance Proceeds	5.28 %
Year of Assumed Premature Death	2020

In the event of a premature death of Chad Starling, survivor Maria Starling

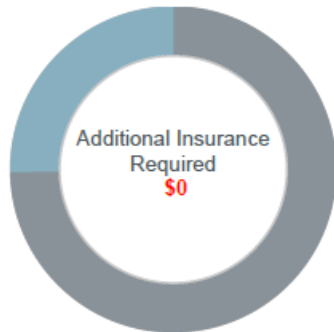


Capital Available to Meet Future Expenses	\$1,886,000
Less: Current Investable Assets	(\$1,036,000)
Less: Current Insurance Available	(\$850,000)
Additional Insurance Required	\$0

Your current resources appear to be sufficient for your spouse's future needs in the event of your death.

■ Current Investable Assets ■ Insurance Available ■ Insurance Required

In the event of a premature death of Maria Starling, survivor Chad Starling



Capital Available to Meet Future Expenses	\$1,386,000
Less: Current Investable Assets	(\$1,036,000)
Less: Current Insurance Available	(\$350,000)
Additional Insurance Required	\$0

Your current resources appear to be sufficient for your spouse's future needs in the event of your death.

All assets are assumed transferred to the surviving spouse upon death. Survivor expenses are assumed to be 80% of current pre-retirement expenses until the survivors retirement and 80% of stated retirement expenses thereafter. All other expense types of the surviving spouse are assumed to continue at 100%. Proceeds of the life insurance are invested into the non-registered portfolio. Funds are withdrawn from the account as required. Note that if you own a corporation, the life insurance analysis excludes any tax related to the deemed disposition of your corporate assets and/or shares.



Business - Post mortem planning

Individuals owning shares of a private corporation at death may be subject to double-taxation. First, there is tax on the capital gain, if any, resulting from the deemed disposition at death of the shares of the corporation. The fair market value of the shares derives its value from the fair market value of the assets within the corporation. Second, there is tax on any capital gain realized on the actual sale of the underlying assets within the corporation. Thus the increase in value of the assets within the corporation may be subject to taxation at both the corporate and personal level.

However, it may be possible to defer or reduce this potential tax with post-mortem planning. Post-mortem planning ensures that your Will or any trust document you prepare is flexible enough to allow your executor/liquidator to undertake any potential tax planning that may be required after your death.

As the owner of private company shares, your post-mortem tax planning should begin well before your death.

Speak with a qualified tax advisor about the issues related to your private corporation upon death.



Business - Succession Planning

Business succession planning is the process of preparing, in advance, for the transfer of the ownership and management responsibilities of your business to someone else. When done properly, a succession plan helps to ensure that you may transition away from your business in an effective, satisfying, and confident manner. Not having a plan in place may cause major disruptions in the operation of your business as well as in your personal life. Many of these problems and disruptions may be avoided, or at least mitigated, by having a well thought out business succession plan in place before you need it.

Other benefits of a business succession plan may include:

- The minimization of tax,
- Improvement in the financial stability of the business,
- Increased control over the transfer of ownership,
- Maximizing the value of your business, and
- Fewer potential sources for family conflict.

The following are key elements of a business succession plan:

- Strategic vision and business plans for current and future operations
- Current valuation of the business
- Contingency plan in the event of your incapacity or untimely death
- Preferred exit option
- Possible successors, ensuring they will be ready for their role
- Plan for addressing tax and legal issues
- Family goals and a personal retirement plan
- Financing plan for the business succession
- Communication plan for advisors, family, shareholders, key employees, and other stakeholders
- Procedure for monitoring the process and dealing with disputes and problems

Based on our discussions, I can provide you with information to assist you in completing some of the missing or out of date elements of your business succession plan to help you meet your financial and life goals.

For more information, strategies and tips on planning for business owners, ask me for a copy of RBC Wealth Management's guidebooks on business succession planning: "Business Owners Guide to Wealth Management" and "Succeeding in Succession - A guide to keeping family harmony through your business transition".



Business - Surplus cash in your corporation

As a business owner, you most likely rely on the income generated by your corporation's business to fund your lifestyle. You may also hope that your business accumulates sufficient capital to meet your income needs in retirement. In the meantime, what should you do with any surplus cash accumulating in your corporation? Is there a business need for the cash? Or do you need the funds personally and wish to withdraw them from your corporation? Determine the need for your surplus cash.

If there is no immediate business need, you might want to consider investing the excess funds within your corporation in order to maximize the value of your surplus cash in the meantime. However, keep in mind that if you need the funds in the short- or medium-term, you will want to ensure that the investments you make can be easily liquidated when the time comes. Note that your corporation's small business limit may be reduced based on the amount of passive investment income earned in a corporation and any corporations associated with it.

If there is no business need for the excess cash within your corporation, consider whether you have a personal need for the funds such as paying down personal debt or funding lifestyle expenses. If you decide you have a personal need for the surplus cash in your corporation, the next step is to determine the best way to withdraw the money, paying special attention to the tax consequences. Some methods of withdrawing cash from a corporation are taxable (i.e., paying a salary or dividends, etc.) but some could be tax-free (i.e., paying a capital dividend, reducing paid-up capital, or repaying loans to shareholders, etc.).

Lastly, if you do not have a short- or medium-term business or personal need for the cash, you should consider your long-term objectives, whether they involve boosting your retirement savings or enhancing the value of your estate. Some strategies may include setting up an Individual Pension Plan (IPP), a Retirement Compensation Arrangement (RCA), a group retirement plan, or buy insurance to secure your future or provide for your heirs.



Disclaimers:

In light of the corporate tax changes related to income splitting through a private corporation, if you are involved, either directly or indirectly, in a private corporation, you will want to review the current corporate structure and any tax planning strategies you have implemented that relate to the private corporation. In addition, due to the changes related to earning passive investment income within your private corporation, you may want to review your corporation's investment portfolio with an RBC advisor and a qualified tax advisor.

The information provided by this calculation tool is for illustrative purposes only and is based on information you have provided to us regarding your financial circumstances or objectives. In deriving this information, this calculation tool may use assumptions about the following: interest rates, inflation rates, rates of return, taxation rules or other related assumptions. These assumptions may change over time. You should consult your own professional advisor to ensure that any action you take is based on all applicable financial information and the latest calculation methods, taxation rules and applicable legislation.

This report may contain forward-looking statements. Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement. The information has been drawn from sources believed to be reliable. Where such statements are based in whole or in part on information provided by third parties, they are not guaranteed to be accurate or complete. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment.

The information provided is not a financial plan and is not intended to provide specific financial or other advice. Further, this information is not intended as a solicitation to purchase specific products. We do not guarantee the accuracy or applicability of the information to your particular circumstances and we are not liable for any losses or damages arising from any errors or omissions in such information or any action or decision by you in reliance on such information. When providing financial planning services in all provinces except Quebec, such services are provided by RBC Dominion Securities Inc. In Quebec, financial planning services are provided by RBC Wealth Management Financial Services Inc., which is licensed as a financial services firm in that province.

Insurance products are offered through RBC Wealth Management Financial Services Inc., a subsidiary of RBC Dominion Securities Inc. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC Wealth Management Financial Services Inc. In Quebec, Investment Advisors are acting as Financial Security Advisors of RBC Wealth Management Financial Services Inc.

RBC Dominion Securities Inc.* and Royal Bank of Canada are separate corporate entities which are affiliated. *Member Canadian Investor Protection Fund. ®Registered trademark of Royal Bank of Canada. Used under licence. ©Copyright 2020. All rights reserved.



3. Your Strategies and Opportunities

A variety of strategies and structures exist that can potentially help reduce risk, enhance estate values, reduce taxation, help with your business, or enhance charitable giving.



Your Strategies and Opportunities

How do we identify what planning strategies fit for you?

We examine over 60 strategies that may be beneficial to clients in these areas:

- Risk Reduction
- Estate Enhancement
- Tax Reduction
- Business Planning
- Charitable Giving

myGPS identifies whether some of these strategies may fit your personal circumstances.

Your professionals

The people behind the planning



Will and Estate Consultant – Mary Metel, LL.B.

Mary is our team's primary estate lawyer who can help with Will, power of attorney, trust, and insurance planning that relates to estate matters.



Financial Planning Specialist – Albert Schoeley, CPA, CA, M.Acc.

Albert is our team's Chartered Accountant and Certified Financial Planner that can help with complex planning involving corporate assets or real estate holdings.



High Net Worth Planning Specialist – Prashant Patel, ASA, CFP, TEP

Prashant is just one of the many members of our multi-accredited team that provides advice to families who have advanced and significantly complex corporate, real estate, cross-border, trust, or insurance related questions.



Estate Planning Specialists- Steve Wiffen CLU, ChFC, CFP and Rick Squires, CLU, ChFC, TEP

Steve and Rick are our licensed insurance specialists who can help with strategies to protect your financial risks, or take advantage of the tax-friendly properties of insurance.





Your Strategies and Opportunities

Strategy or Structure in Place	Benefits to you
<p>Insurance owned by holding company</p> <p>Currently you have a joint last-to-die whole life policy in place with Sun Life. The face value is \$2,000,000 and premiums are \$10,000 per year for 10 years. We are currently paying the premiums from your corporate investment account. Final premium is due Jan 1, 2028.</p>	<ul style="list-style-type: none">• This policy serves to enhance your estate value in the event of premature death.• Over time it will increase the Capital Dividend Account of your corporation, and allow for a portion of the proceeds to be unlocked from the corporation tax-free.• It is also growing within the policy on a tax-free basis and as a result will result in an attractive guaranteed investment return that exceeds the alternative risk-free returns available in traditional investments like GICs.
<p>Surplus cash in corporation</p> <p>This is currently being invested in your holding company account. These retained earnings are not expected to be used in the operating business.</p>	<ul style="list-style-type: none">• We put in place a tax-smart investment strategy working with your accountant, that favours dividend income over capital gains or interest, and utilizes corporate class mutual funds to defer tax.



Your Strategies and Opportunities

Strategy or Structure in Place	Benefits to you
<p>Maximize TFSA contributions</p> <p>We moved assets from your non-registered portfolio to your TFSA to maximize remaining room. Each January we are now contributing the maximum possible to your TFSA.</p>	<ul style="list-style-type: none">• The TSFA allows for tax-free capital growth, and is the most tax-efficient investment account structure available.
<p>Shop your mortgage</p> <p>You got some competing quotes for mortgage rates prior to your latest mortgage renewal in 2017.</p>	<ul style="list-style-type: none">• You can be more certain that your provider is giving you the best rate available to you. You were able to secure a .20 bps reduction in rate versus your initial quote, saving approx. \$1,000 per year.
<p>Create a cash wedge</p> <p>We allocated 5% of your portfolio to cash.</p>	<ul style="list-style-type: none">• In the event of income uncertainty or unexpected expense your cash wedge provides you with a ready source of money. We will not be forced to sell investments at potentially inopportune times.



Your Strategies and Opportunities

Strategies considered	Discussed	Status
Individual Pension Plan	May 2015	We discussed the properties of an Individual Pension Plan, and reviewed some projections based on your situation. You decided not to proceed at this time.
Consolidate assets held at	May 2017	We discussed the benefits of holding your investments in one place, including simplified reporting, and possible cost benefits. Your provider at Manulife is a family friend, you have chosen to defer consolidating until he retires.



Your Strategies and Opportunities

Strategies under consideration	Discussed	Status
Business- Post Mortem Planning	May 2017	You were to discuss a key person arrangement with your lawyer, to ensure that if a key stakeholder were to pass away, succession of the business will occur correctly and you will not have to liquidate.
Create an Asset Inventory	Jan 2019	We discussed the benefits of creating an inventory to ease the administrative burden on your executor. You are in the process of creating this inventory using our Will kit but have not completed this yet.
Second Will required for Business	Not yet	We would like to set up a Will and Estate Consultation with our lawyer to discuss this item.
Personal Will update needed	Not yet	Your Wills were last updated 12 years ago. We would like to set up a Will and Estate Consultation with our lawyer to discuss this item.



4. Your Portfolio

Your portfolio is the foundation of your long-term financial success. It requires discipline, and deliberate decision making around holdings, structure, tax, and maintenance.



Your Portfolio

Portfolio Holdings & Returns

Capital Review

Time period Jan 1, 2020 to March 31, 2020	
Beginning portfolio value	C\$ 1,422,088.62
Net Contribution	C\$ (337,985.62)
Total Investment Returns	C\$ 158,301.73
Ending Portfolio Value	C\$ 1,242,404.71

Rate of Return

Time Period		Rate of Return (time-weighted)
Previous 12 months	April 1, 2019 to March 31, 2020	3.45%
Since inception	Dec 1, 2007 to March 31, 2020	6.75%

Net contribution consists of the sum of deposits and transfers-in less withdrawals, transfers-out, administration fees, and any applicable withholding taxes. The Market Values depicted on this page represent the point-in-time value of your portfolio, as was reported on your monthly client statements.



Your Portfolio

Guiding principles

Diversification

Diversification is the cornerstone of investing success. It is the single most important risk reduction tool we can employ.

Ownership of quality companies

Owning companies that earn a consistent return-on-equity has been an effective investment strategy. Often these stocks exhibit lower volatility than the market average, yet perform better over time. This is called the low volatility anomaly.

Evolution, not prediction

Your portfolio must evolve with changes in the economy, and market pricing. These changes should be made with long-term trends in mind, and not be reactionary in nature.

Re-balancing

This key principle forces us to buy more when part of our portfolio goes down in price, and sell a little when part of the portfolio goes up. It has been proven to add to returns over time.

Speculation

Speculation, especially on higher-volatility stocks, is not an effective way to build wealth over time.

Frequent trading

Trading frequently is not linked to investment success over time, and can reduce returns.

Overconfidence

We must recognize that our ability to predict the future is limited. We try not to invest based on guesses that are not research based. When we make a decision without enough information that works out in our favour, we must recognize that chance played a role.

Responsible Investing

We are a member of the Responsible Investment Association (RIA), Canada's industry association for responsible investment. Members include asset managers, asset owners and service providers who believe incorporating a responsible investing philosophy to investment decision-making provide superior risk-adjusted returns and positive societal impact.

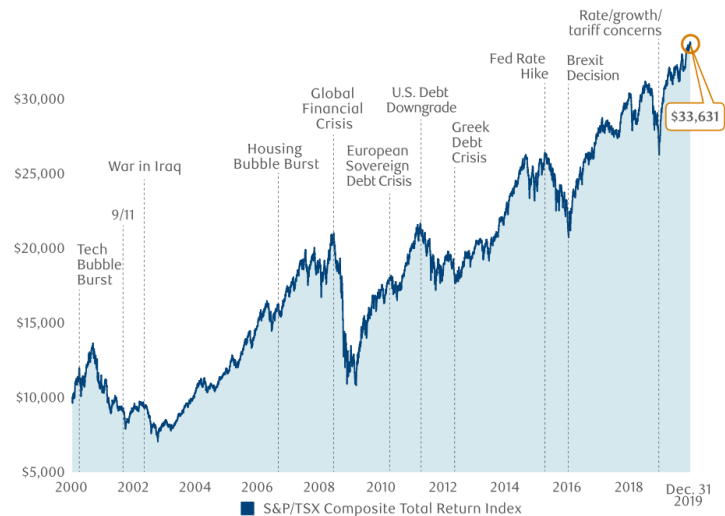


Your Portfolio

Guiding principles

Staying invested

Consistent ownership in quality companies through market fluctuations leads to investing success.



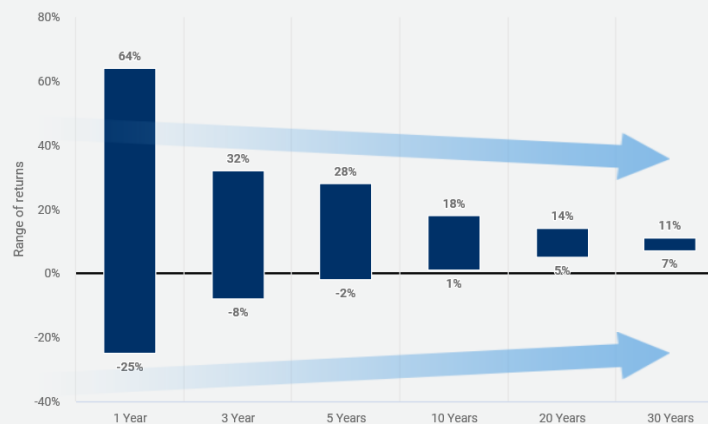
The growth of \$10,000 since January 2000. An investment cannot be made directly in an index. Graph does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results. Performance data as of December 31, 2019.

Time reduces risk

The odds of success rise with each year invested, and the risk of losses diminishes.

Volatility of a diversified portfolio decreases over time

Rolling 1-, 3-, 5-, 10-, 20- and 30-year average annual returns from January 1980 to December 2018



Source: RBC Global Asset Management Inc.



Your Portfolio

Investment Outlook

Equity market valuation

The equity market is currently slightly over its median historical valuation on a price/earnings basis. However the difference between the corporate earnings yield and the yield available on government bonds is much wider than usual, making equities less expensive relative to bonds.

Interest rates

Our current RBC Capital Markets forecast is for short-term interest rates to remain unchanged one year from now, and for the benchmark 10 year Government of Canada bond yield to be 0.50% higher one year from now.

Stimulus

Central banks continue to provide broad stimulus to the economy, and this has historically given support to equity prices.

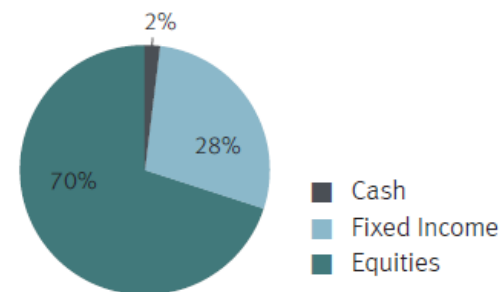
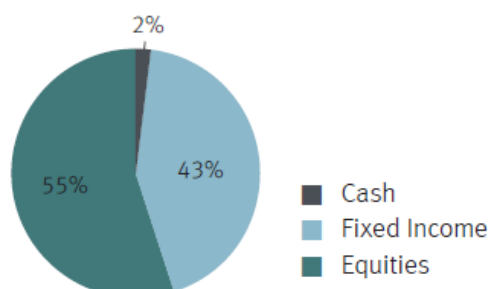
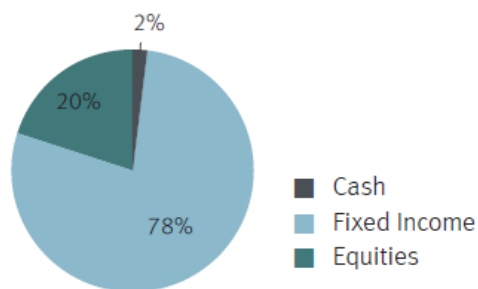
Asset mix

We are currently slightly overweight cash and equities, and underweight fixed-income.



Your Portfolio

Asset Allocation Models



Historical Performance (January 1990 to December 2020)	%
--------------------------------------------------------	---

Return (annualized)	7.1
Risk (standard deviation)	4.1

Long-Term Returns Forecast (5 to 10 year horizon, before fees)	%
----------------------------------------------------------------	---

Return (annualized)	2.5
Risk (standard deviation)	5.1

Historical Performance (January 1990 to December 2020)	%
--------------------------------------------------------	---

Return (annualized)	7.9
Risk (standard deviation)	7.8

Long-Term Returns Forecast (5 to 10 year horizon, before fees)	%
----------------------------------------------------------------	---

Return (annualized)	4.3
Risk (standard deviation)	9.6

Historical Performance (January 1990 to December 2020)	%
--------------------------------------------------------	---

Return (annualized)	8.1
Risk (standard deviation)	9.5

Long-Term Returns Forecast (5 to 10 year horizon, before fees)	%
----------------------------------------------------------------	---

Return (annualized)	4.9
Risk (standard deviation)	11.5



Your Portfolio

Your Investment Policy

Return Objectives

The portfolio will be managed with the objectives of generating growth of capital and income. This will be accomplished by investing in equity, with some exposure to fixed-income.

Risk Tolerance

In some years, you may not achieve your rate of return goal and in fact may have negative returns. You have indicated that you are willing to accept this risk in order to achieve your long-term goals.

Time Horizon

You have indicated that the time horizon for this portfolio is more than 10 years.

Transition Period

There will be a period of six months in order to transition the assets towards following your investment solution.

Liquidity and Income Needs

You have no immediate needs for income from this portfolio. Approximately 5% of the portfolio may be held in cash or cash equivalents for specific portfolio management-related uses, fee withdrawals or taxes. The portfolio should provide sufficient liquidity to deal with any unanticipated demands upon the capital. Withdrawal of capital may compromise the portfolio's return objectives.

Legal and Regulatory Considerations

You have indicated that there are no legal or regulatory issues or restrictions that affect this portfolio.

Tax Considerations

You have indicated that there are no specific tax considerations for this portfolio.

Unique Preferences and Circumstances

You have indicated that there are no additional considerations or restrictions on this portfolio.



Your Portfolio

Investment Policy

Investment Management Guidelines

1. The majority of the cash and fixed-income portfolio will be invested in investment-grade securities.
2. The maximum amount allowable per investment-grade non-government fixed-income security will be the greater of 10 % of the portfolio or 15 % of the fixed-income and cash portfolio
3. The portfolio will be diversified across multiple sectors
4. The majority of the equity holdings will be mid-to-large companies as measured by market capitalization
5. The maximum amount allowable per equity security will be the greater of 10 % of the portfolio or 15 % of the equity portfolio

Asset Class	Min	Long term target	Max
Cash and Equivalents	0%	0%	50%
Fixed Income	10%	30%	40%
Equity	55%	65%	90%
Alternative Investments	0%	5%	15%

From time to time, market fluctuations may cause the portfolio to be temporarily inconsistent with the Asset Allocation and/or the Investment Management Guidelines set out in this Investment Policy Statement. When this occurs, we will undertake realignment of the portfolio within a reasonable period of time in accordance with this Investment Policy Statement.



Your Portfolio

Research

Portfolio Advisory Group

Our Portfolio Advisory Group are 7 equity advisors, 7 equity traders, 8 multi-asset advisors, 3 portfolio engineers, 1 fixed-income advisors, and 8 fixed-income traders. This team assimilates research and news to keep us informed throughout the day, and helps us apply that information directly to client portfolios.

Global Manager Research

Our Global Manager Research team are 21 analysts around the world who perform stringent due diligence research on third-party asset managers, and make recommendations to add or remove managers.

Internal Research

RBC Capital Markets, and RBC Global Asset Management, provide us with award-winning research on companies, investments, and the economic picture.

Third Party Research

RBC also utilizes valuable research from outside RBC. Veritas Investment Research, J.P. Morgan, Morningstar, Fundstrat, and Valueline are our current third-party research sources.

Governance

Portfolio Risk Group

This team are 4 dedicated portfolio risk advisors who impartially monitor client portfolios for adherence to Investment Policy.

Compliance Group

Our compliance officers set and enforce policy designed to ensure responsible portfolio management is practiced, and clients' best interests are put first. They also conduct daily surveillance of account activity.



Your Portfolio

Account types in your portfolio

Type of relationship	Account type	Beneficiary on file
Discretionary	Non-registered (Mary)	n/a
Discretionary	Non-registered (Mike)	n/a
Discretionary	Non-registered (joint)	n/a
Discretionary	RSP/ RIF (Mary)	Mike
Discretionary	RSP/RIF (Mike)	Mary
Discretionary	Locked-In RSP/RIF (Mary)	Mike
Discretionary	Locked-In RSP/RIF (Mike)	Mary
Non-discretionary	RESP	Scott and Beth
Non-discretionary	TFSA (Mary)	Mike
Non-discretionary	TFSA (Mike)	Mary
Discretionary	Corporation	n/a
Discretionary	Trust	Scott and Beth



Your Portfolio

Portfolio Structure and Taxation

Which accounts to fund first

If annual savings do not allow for complete funding of all the accounts within the portfolio, the RRSPs will be the first funding priority because of the deduction to T4 income, while you are both earning employment income at a high marginal rate.

TFSAs are the second funding priority, and the RESP is the third funding priority.

Tactical allocation of investments

Investment Policy applies to the entire portfolio, but each account within the portfolio will be managed with a different asset mix.

RRSP accounts will house the majority of the fixed income investments, since the income they earn is taxed at a higher rate than equity investments.

Tax losses

Each November we will sell any holding in a loss position, if we can find a near-equivalent investment to hold instead for at least 30 days. In doing so we can bank tax-losses to reduce future capital gains tax.

Separated holding for tax deferral

You have shares in RY that you wish to hold and not co-mingle with the rest of the portfolio. These would be subject to significant capital gains tax if sold. We have removed them from our normal re-balancing process.



Your Portfolio

Portfolio Costs

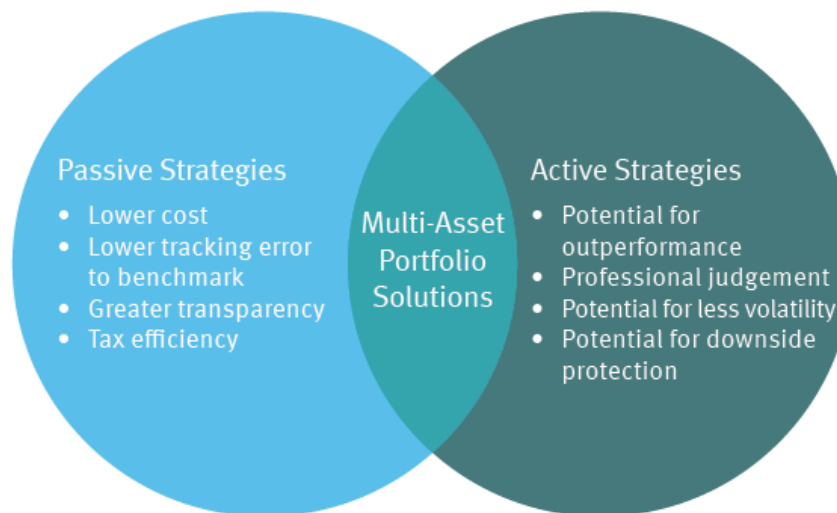
It is important to try not to incur fees that are unnecessary, or unlikely to add additional value to your portfolio

Passive vs. active management

Passive investment through the use of ETFs, or direct ownership of stocks or bonds, can reduce your overall cost to invest.

Sometimes, active management (via a third party manager) has a reasonable opportunity for outperformance.

We believe in making deliberate choices in each sector of the market. This allows us to reduce costs significantly, yet retain an optimized portfolio.





Your Portfolio

Portfolio Costs

The costs associated with your portfolio may vary depending upon the type of management, and type of products used.

- Active with an additional management cost (MER)
- Active with no additional management cost
- Passive with an additional management cost (MER)
- Passive with little or no additional management cost (MER)

Sectors where we favor active management

- Canadian stocks (via our Canadian Focus List)
- Canadian fixed income (via mutual funds)
- Global equity (via active ETFs)
- Global fixed income (via mutual funds)
- Alternative investments (via hedge funds)

Sectors where we favor passive management

- US stocks (via ETFs)
- GICs

Your Current Portfolio Cost Makeup

Cost Source	Cost	@ % Portfolio
Our fee <small>(may be partially tax deductible)</small>	1.10%	100%
Mutual Funds <small>(MER- Management expense ratio)</small>	2.00%	20%
ETFs <small>(MER- Management expense ratio)</small>	0.25%	10%
@ Total cost	1.33%	
@ Total cost after tax deduction	1.10%	



Your Portfolio

Portfolio Holdings

Your current investment solutions, along with the rationale for owning them.

Holding or Strategy	Asset type	Why we own it
RBC Canadian Equity Guided Portfolio Process	Canadian Equity	<ul style="list-style-type: none">This process allows us to own @20 individual stocks in your portfolio that are recommended by RBC analysts. This process has significantly outperformed the TSX 60 index since inception. There is also no third-party cost.
RBC QUBE Low Volatility Canadian Equity Mutual Fund	Canadian Equity	<ul style="list-style-type: none">This is a mutual fund that invests in companies with a historically less volatile stock price. Studies have shown that low-volatility stocks perform the same or better than higher-volatility stocks with lower risk.
S&P 500 Index ETF	US Equity	<ul style="list-style-type: none">Studies have shown active managers in the US have a hard time consistently beating the market index.
MSCI World Low Volatility Index EFT	Global Equity	<ul style="list-style-type: none">Global holdings provide additional diversification. Studies have shown that low-volatility stocks perform the same or better than higher-volatility stocks with lower risk



Your Portfolio

Portfolio Holdings

Brookfield Property Partners REIT	Real Estate	<ul style="list-style-type: none">• This real estate investment trust pays a healthy dividend, and is currently recommended by RBC's research analysts.• Real estate provides an attractive diversification benefit to your portfolio.
Franklin Templeton Global Bond mandate	Global Fixed Income	<ul style="list-style-type: none">• This fixed income manager has a disciplined process and has exceeded industry benchmarks consistently.
GICs issued by Canadian Banks	Canadian Fixed Income	<ul style="list-style-type: none">• GICs provide a fixed return, and a fixed maturity. These provide stability to your portfolio and are guaranteed by the CDIC.
RBC High Interest Savings account (HISA)	Cash equivalent	<ul style="list-style-type: none">• We maintain a small cash balance to provide flexibility, and stability to the portfolio. This balance fluctuates with re-balancing activities.

A detailed holding summary is included in the appendix.



Your Portfolio

Portfolio Changes

Monitoring

Your portfolio is monitored daily by our team.

Re-balancing

Portfolio re-balancing occurs on a quarterly schedule, or if we see significant movements in the market.

Changes to your recommended asset allocation

None this period.

Adjustments to portfolio holdings this period

- We switched RBC Global Bond Fund for PIMCO Monthly Income Fund.
- Fidelity Global Innovators was switched to currency neutral.
- Added to defensive sectors including health care and staples, reduced banks.



5. Your Service Preferences

It is important that we meet your expectations for service in the areas of wealth plan reviews, communication, tracking, and reporting.



Your Service preferences

Communication with our team

Full portfolio and wealth plan reviews	<ul style="list-style-type: none">▪ Annual▪ Semi-annual▪ Every 2 years <p>June</p>
Telephone check-ins	<ul style="list-style-type: none">▪ Quarterly▪ Semi-annual▪ Annual
Our team newsletter	<ul style="list-style-type: none">▪ Email▪ Mail



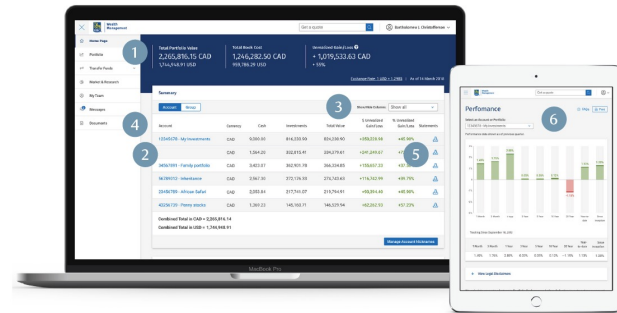


Your Service preferences

Reporting and Online Services

Quarterly portfolio summaries	<ul style="list-style-type: none"> ▪ Online ▪ Email ▪ Mail
Compare returns to:	<ul style="list-style-type: none"> ▪ Rate of return in myGPS ▪ Blended index benchmark
Custody statements	<ul style="list-style-type: none"> ▪ Online ▪ Mail
Tax information	<ul style="list-style-type: none"> ▪ Online ▪ Mail

RBC Wealth Management Online is your secure state-of-the-art source for information about your portfolio. Enjoy real time portfolio values, holding information, stock quotes, and research, along with access to your portfolio reports, statements, and tax documents. All on your laptop, tablet, or phone. Wealth Management online links seamlessly to your RBC Online Banking information. One password is all you need.





6. Your Other Financial Relationships

You need the correct banking, accounting, and legal relationships to be financially successful. When we have a relationship with your banker or accountant, it helps us both provide better service to you.

Other Financial Relationships

Banking relationships

Banking provider	Personal or Corporate	Notes
RBC – Premier Banking	Personal	You are currently dealing with Renee King, PRBC Premier Banking Advisor. Benefits include no-fee banking services, and prestige cards. 519-619-5845 renee.king@rbc.com
TD- Estate of Henry Smith	Personal	This account exists to deal with your father’s estate account. It will eventually be closed when the estate is settled.
Scotia Commercial Banking	Corporate	Your current corporate banking relationship is with Sally Jones at Scotia. You have been with them for 10 years.
Royal Trust	Personal	You are working with Susan MacDonald, Senior Trust Advisor at RBC Royal Trust. You have assigned Royal Trust as a corporate executor, in order to reduce that burden on your family. 519-902-6496 susan.macdonald@rbc.com





Other Financial Relationships

Banking services available to you through RBC include:

Personal banking services

- Personal bank accounts, cards, and lending.

Corporate banking services

- Corporate lending, payments, foreign exchange, and cash management.
- Group banking and investment plans

Trust services

- Corporate executor
- Agent for executor
- Agent for power of attorney

Current banking offers exclusive to RBC Wealth Management clients

RBC Premier Banking

Only for clients of RBC Wealth Management Canada, this banking package combines free banking, exclusive cards, and service from our Premier Banking Advisor

RBC Private Banking

RBC Private Banking is available at a significantly reduced monthly fee to RBC Dominion Securities clients. Complex credit and lending, exclusive cards, and access to many concierge service are included.

RBC Mortgage

RBC Wealth Management clients and their families are entitled to RBC's lowest no-hassle mortgage rates, and assistance from an RBC Mortgage Advisor.





Other Financial Relationships

Accounting and Legal

Relationship	Service	Notes
Murray Smith- E&Y	Accounting	You have been working with Murray for 11 years and are happy with the relationship. You have discussed an estate freeze with him and that is still pending.
Barb Jones- Jones Schuster	Legal	Barb has helped with your corporate structures, and her firm has done your Wills and PAs.



Appendix 2: Your detailed portfolio report

•The Power of RBC Dominion Securities



RBC Wealth Management
Dominion Securities

THE **VASTIS**
ADVISORY GROUP



Family Enterprise Advisor

The Power of RBC Dominion Securities

- Wealth management services designed for you:
- Serving clients since 1901, today RBC Dominion Securities is Canada's leading full-service wealth management firm with over 420,000 clients and \$305 billion in assets under administration*
- Our services are provided through your personal Investment Advisor such as Bill Vastis, who can custom-design an individual plan for you
- You can access all types of investments, including:
 - Domestic and global investments
 - One of Canada's largest inventories of fixed-income investments
 - Equity investments backed by top-ranked capital markets research and investment strategy
- Our wealth management approach encompasses money management, financial planning, tax minimization and estate planning.

* As of June 30, 2017.



RBC Wealth Management
Dominion Securities

THE
VASTIS
ADVISORY GROUP



Family Enterprise Advisor