RBC Dominion Securities Inc.

The Stanton Report

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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 & Tracy

Welcome to Spring Everyone! Easter has come and gone, and golf and gardening season is just around the corner.

Continuing from where we left off, the S&P/TSX Composite Index remains strong and has turned in a positive 4.0% for the first quarter of 2026.

Moving right along with news about our families:

Olivia is experiencing her first winter in Halifax while working through her master's in Vision Science. She's been exploring the local food scene and was especially excited to discover a huge oriental grocery store for new cooking adventures.

Jenelle is enjoying a milder winter in Kelowna and is now in her third year of her business degree. She's been running and working out regularly with her dog and a close friend who's getting married in June, and the two of them often take their dogs along as they run and brainstorm wedding plans.

Kiera finished her Emergency Medical Responder license and has accepted a full-time position with BC Ambulance in Prince George.

Mattias is finishing his first year in his BSc at UNBC. He also completed his Basic Security Training License and will be coming home for the Summer to work and save up some money.

As always, I am available to discuss all your investment goals and objectives for the coming year. Give Tracy a call or send her an email if you want to set up an appointment via telephone.

Thanks for reading,
Richard & Tracy

Here is what has happened year-to-date;

- **S&P/TSX Composite Index 3.90%**
- **Dow Jones Industrial Average -3.60%**
- **MSCI World Index -3.50%**
- **Crude Oil 72.60%**
- **Gold 8.10%**
- **Silver 4.90%**
- **Copper -1.60%**

RBC Wealth Management
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Scholarly pursuits: How an education savings plan and RESPs can help you turn education dreams into reality

Every parents shares the same hope —watching their child reach their full potential. A quality post-secondary education remains one of the most powerful gifts you can provide, opening doors to better career prospects and higher lifetime earnings. But with education costs continuing to climb, smart planning and investing isn't just helpful - it's essential.

The good news is that Canada offers parents an incredibly powerful tool: the Registered Education Savings Plan (RESP). This isn't just another savings account - it's a government-supported program that can supercharge your education savings through generous grants and tax-deferred growth.

The reality of education costs today

The important things in life often cost a significant amount. ln most developed nations around the world post-secondary education can be a significant investment. The average cost of a four-year university education in Canada has now crossed the $100,000 threshold For the first time, with projections suggesting it could reach$192,000 by 2042. For the 2024-2025 academic year, domestic undergraduate students are paying an average of $7,360 in tuition alone, representing a 2.9% increase From the previous year.

ln addition, the annual inflation for education has increased consistently over the years, outpacing the general rate of inflation. Between 2000 and 2020, average undergraduate tuition fees jumped 115% while the overall Consumer Price Index (CPl) rose just 44%. This trend shows no signs of slowing. Early planning and saving to achieve one's education funding goals more crucial than ever.

Why post-secondary education matters more than ever

The investment in education can pay dividends throughout your child's career. University graduates with bachelor's degrees earn an average of $68,300 annually - 24% more than the national average of $51,900. The premium increases with higher education: those with a master's degree average $84,400, while doctoral graduates earn $100,000 on average.

Beyond earnings, the employment advantages are substantial. ln 2024, the employment rote for university degree holders aged 25 and over was 74%, compared to just 52.6% for high school graduates and 31.5% for those without any degree, certificate, or diploma. Post-secondary education can provide career stability that becomes increasingly valuable in an uncertain economy.

RESPs: your education savings powerhouse

The RESP can help transform education saving from a burden into an opportunity. Here are a few things that make it so powerful:

- **Grants from the government:** A key benefit is the Canada Education Savings Grant (CESG). which provides a 20% match on your first $2,500 of annual contributions. This could add up to $500 per year to your savings. Over each eligible beneficiary's lifetime, you can

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receive a maximum of $7,200 in grants. And, depending upon eligibility, a child may also qualify for a Canada Learning Bond.

- **Tax-deferred growth:** Your investments grow completely tax deferred inside the RESPs. When funds are withdrawn for education, the original contributions are received tax-free, while the accumulated investment income and government contributions are generally taxed in your child's hands. Since students typically have low incomes, they may pay little to no tax on withdrawals.
- **Generous contribution room:** There's no annual contribution limit, giving you flexibility in how much you contribute each year. The lifetime maximum is $50,000 per beneficiary.
- **Investment flexibility:** RESPs can generally hold various investments including GlCs, mutual funds, ETFs, stocks, and bonds, allowing you to choose options that match your risk profile and investment time horizon.
- **Contribution protection:** If your child doesn't pursue post-secondary education, your contributions can generally be returned to you tax-free.

For more details on eligibility, contributions and withdrawals, visit the RBC Royal Bank RESP site.

The power of starting early

Time is your greatest ally in education savings. Starting early may provide three crucial advantages:

- **Maximizing government grants:** Contribute annually to maximize your beneficiary's access to CESG. Wait too long, and you could miss out on thousands in grant money.
- **Compound growth:** Even modest, regular contributions grow substantially over time. A monthly contribution of $200 from birth to age 17 totals $40,800 in contributions. That could grow much more with even modest investment returns and government grants - providing a significant boost to your savings.
- **Reduced financial pressure:** Spreading contributions over many years can make education funding less overwhelming. It may be more manageable for a family to contribute$200 each month, rather than trying to save $40,000 in the final few years before university.

The benefits of investing regularly

Invest Regularly

See how contributing $50 per week in an RESP adds up quickly when supplemented by the federal and provincial incentives.

Note: Calculations are for illustrative purposes only and are not intended to reflect future values or returns on investment from any mutual fund investment. Based on 6.26% overage annualized and includes Canada Education Savings Grant (CESG} payments. Source: RBC Royal Bank.

Your next step on the education path

These numbers and options can seem complex, but you don't need to navigate them alone. The right strategy depends on your family's unique circumstances, budget, and goals. Some families benefit from aggressive early contributions to maximize grants quickly, while others find steady, modest monthly contributions more manageable.

Contact us today to find out how we can help you achieve your education goals for your next generation. Together, we'll create a personalized education plan that fits your budget, maximizes government benefits, and puts your child on the path to educational success.

Report Card

Positive Themes

- IEEPA tariffs overturned
- Rotating equity leadership theoretically positions for another leg upward
- Economic data remains solid
- Growth tailwinds for 2026

Negative Themes

- War with Iran
- AI worries ramp up
- New market concerns:
  AI scare trade
  Regional bank stocks down
  Private credit / leveraged loans
  Credit spreads inch wider
  Oil prices surge
- Loss of trust in U.S.

Interesting

- Many AI scenarios
- AI electricity constraint
- Earnings versus valuations tug of war
- Economic regime theoretically favourable for markets