

Investing For Success!

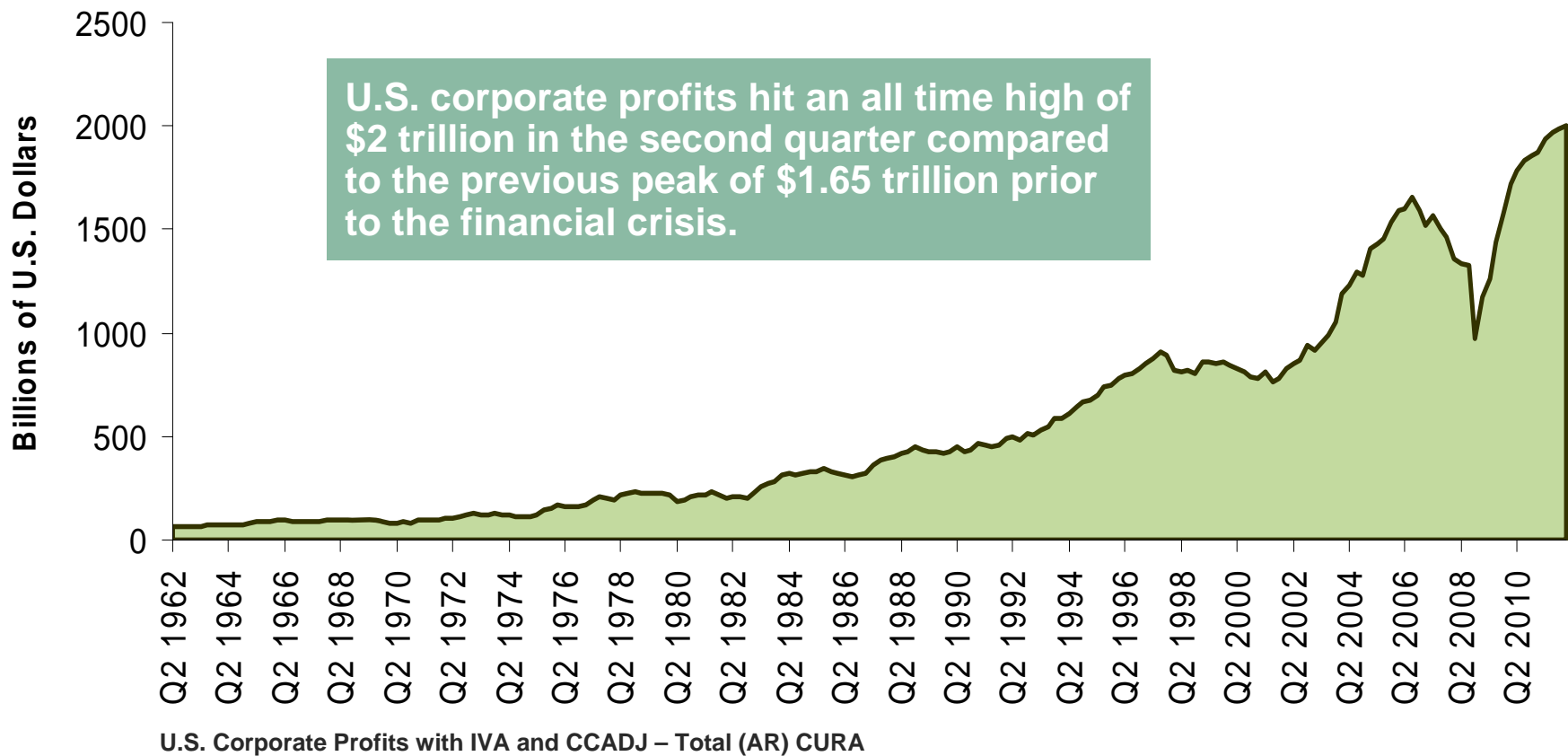


Why the future looks brighter for investors

Corporate Profits Are The Best They've ever Been



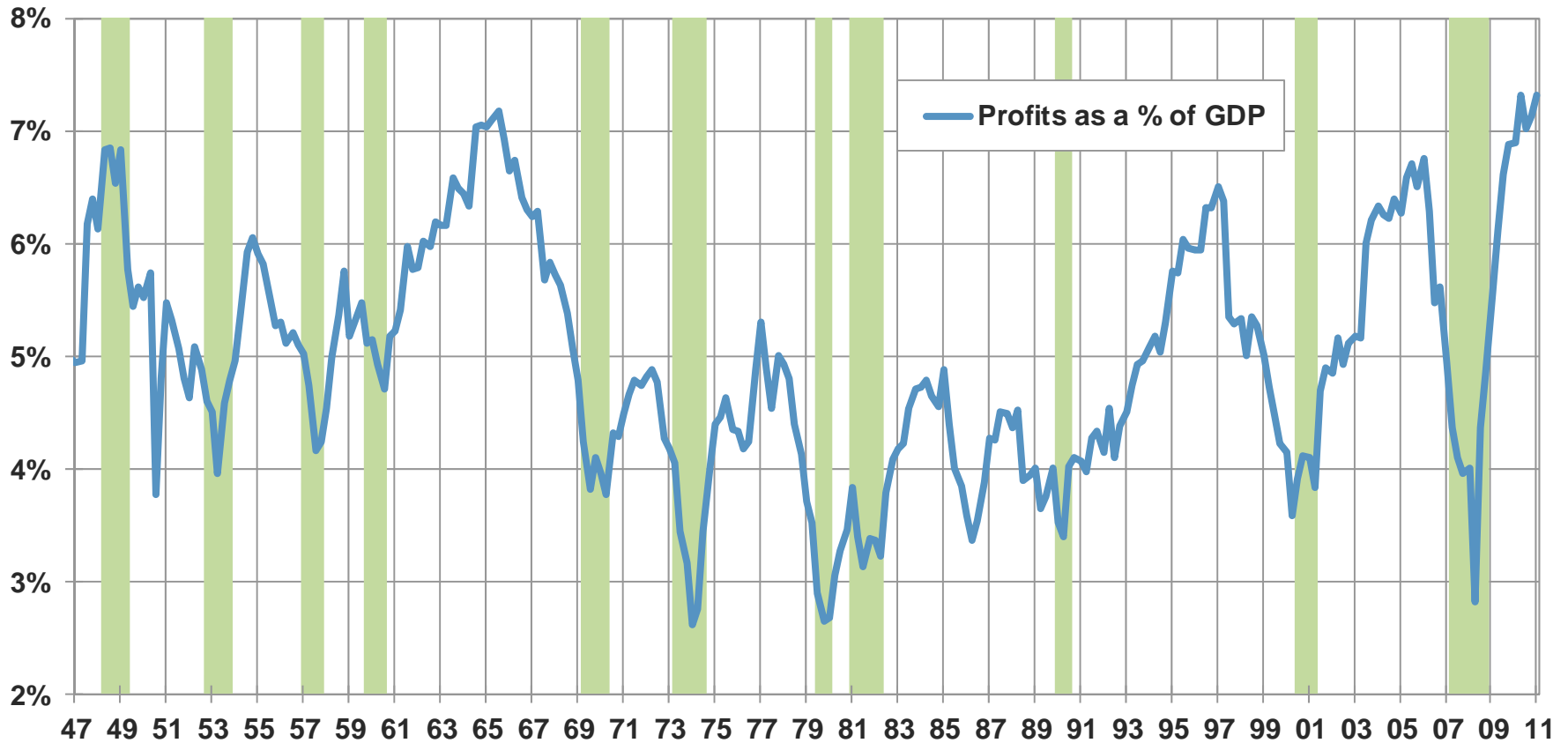
A 50 Year History of U.S. Corporate Profits



U.S. corporate profits remain robust



CORPORATE PROFITS

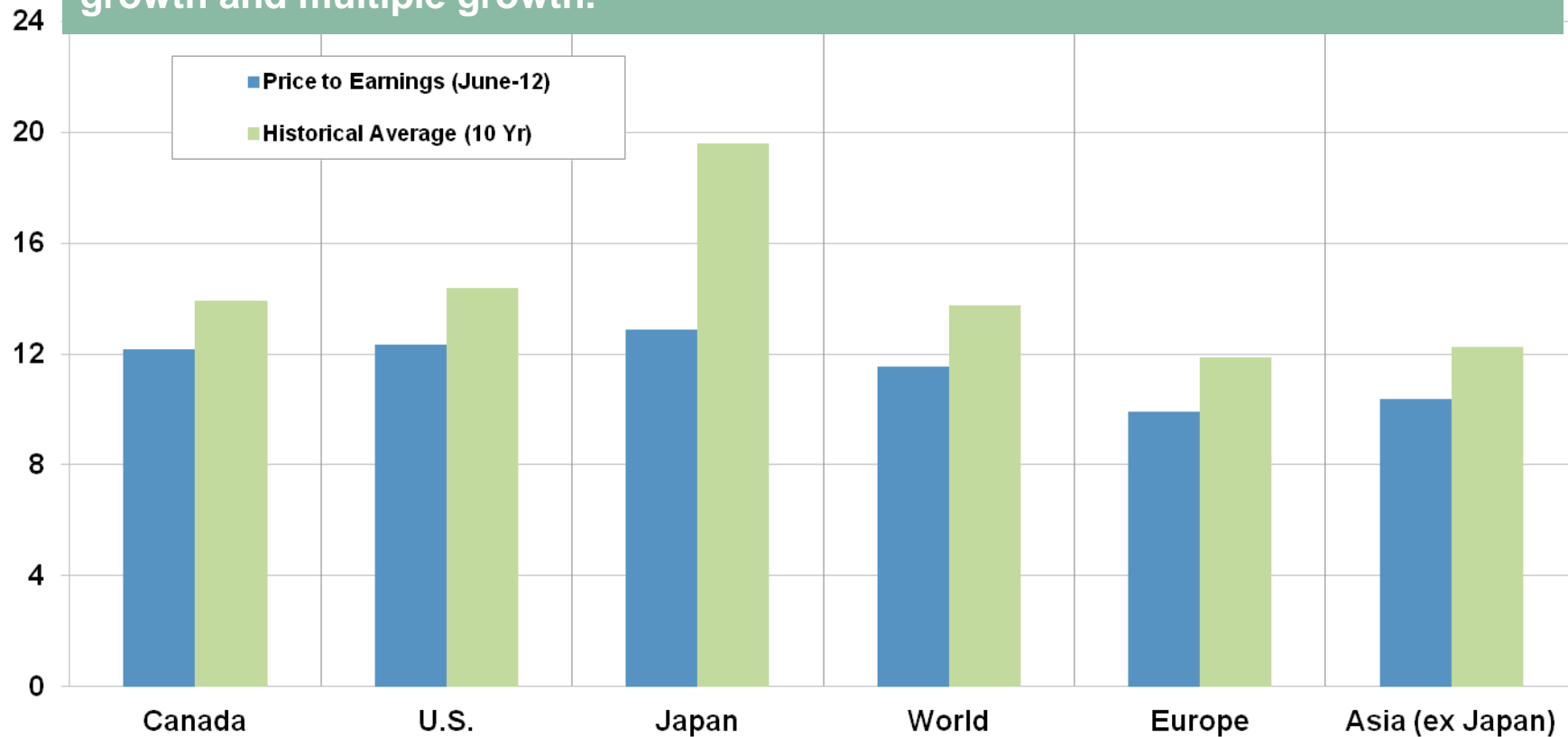


Shading denotes U.S. recession as defined by NBER. Corporate Profits include inventory valuation and capital consumption adjustments. Source: Federal Reserve Board, FAM (AART) as at September 30, 2011.

Stocks Are On Sale!



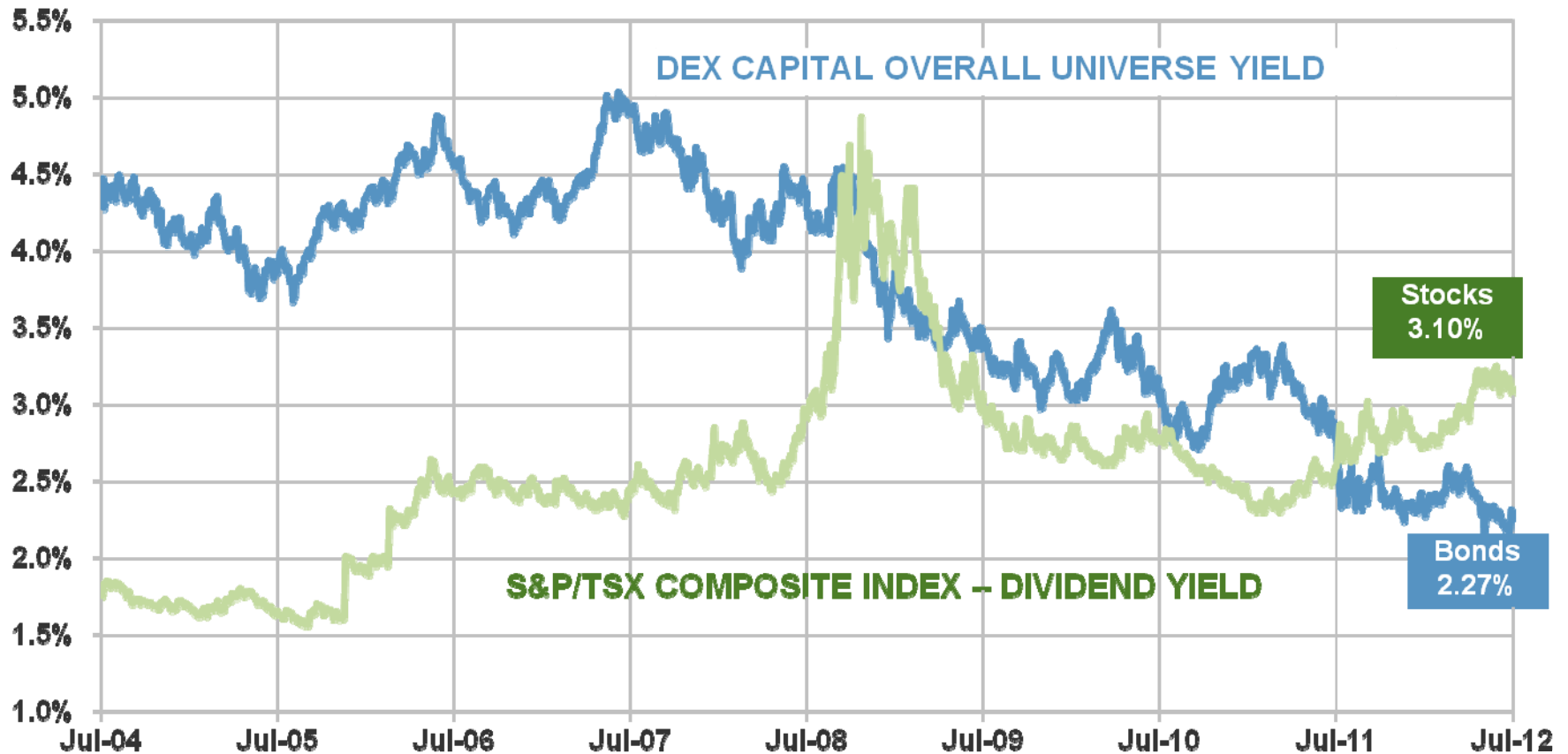
Despite profits being at all time highs, stocks are selling below historical averages. This allows for stock prices to grow 2 ways in the future – earnings growth and multiple growth.



AS AT JUNE 30, 2012

Source: FactSet, as at June 30, 2012. The ten year historical average Forward P/E used for Canada (S&P/TSX Composite), U.S. (S&P 500), Japan (Nikkei 225), Europe (MSCI Europe), World (MSCI World) and historical average for Asia (ex Japan) (MSCI AC Asia ex Japan) since July 2002.

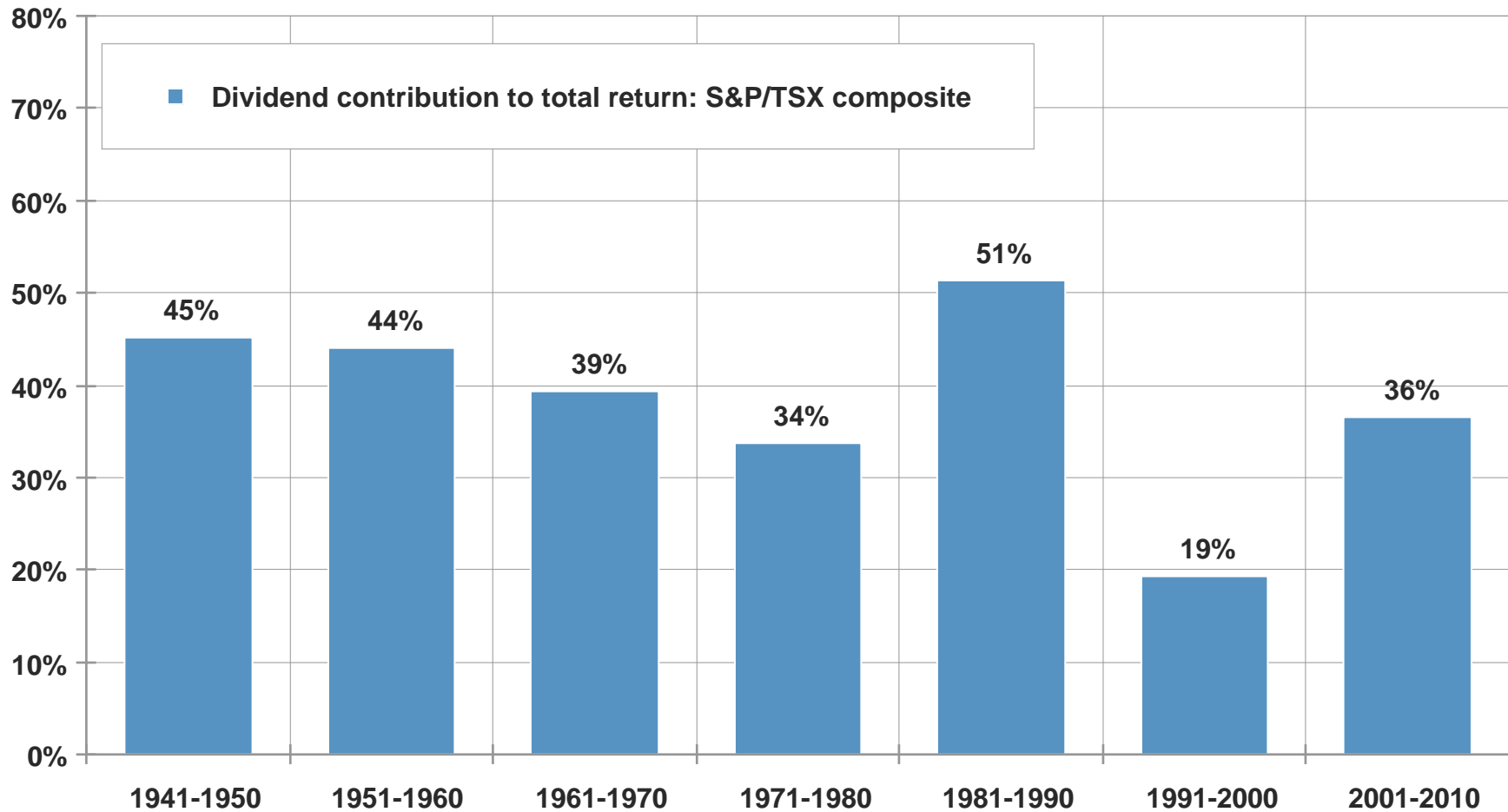
Stocks are paying a higher yield than bonds or GICs!



You are getting paid better to wait for stocks to rebound than you are waiting in bonds or GICs.

Source: Thomson Datastream. As at July 31, 2012.

Dividends are an important part of long-term returns



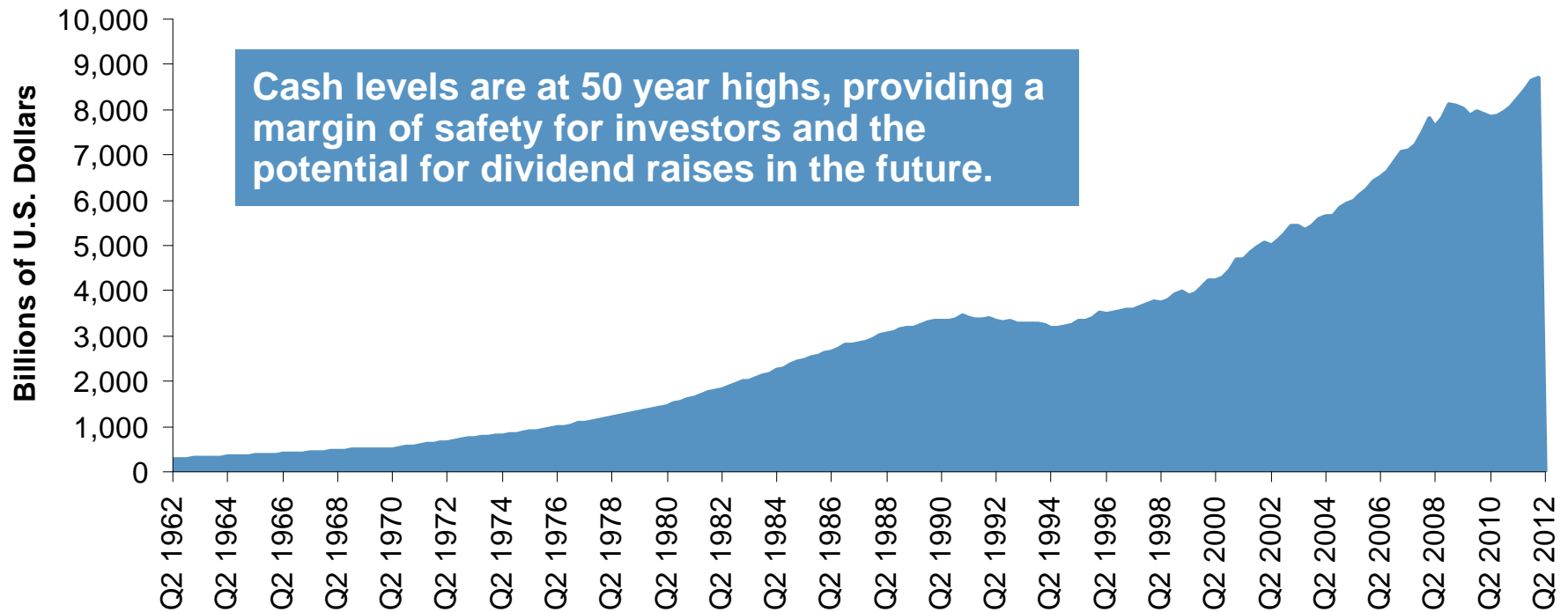
Source: RBC Capital Markets Quantitative Research.

Can Dividends Go Higher?

Corporate cash levels at 50 year highs



Total cash on corporate balance sheets

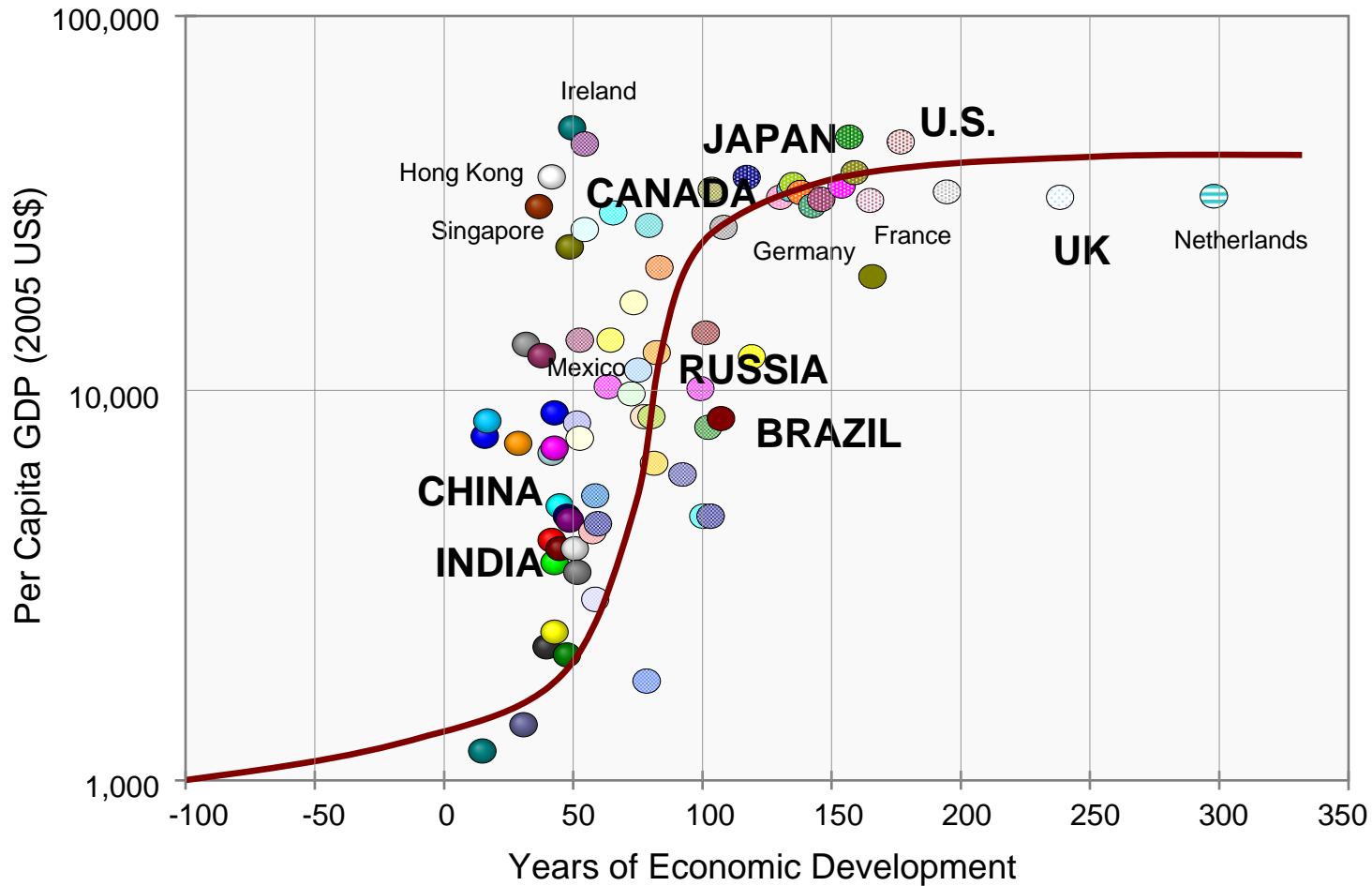


Taking Advantage of Global Trends



Population growth and economic development are driving global growth

PER CAPITA GDP AND ECONOMIC DEVELOPMENT (2005)

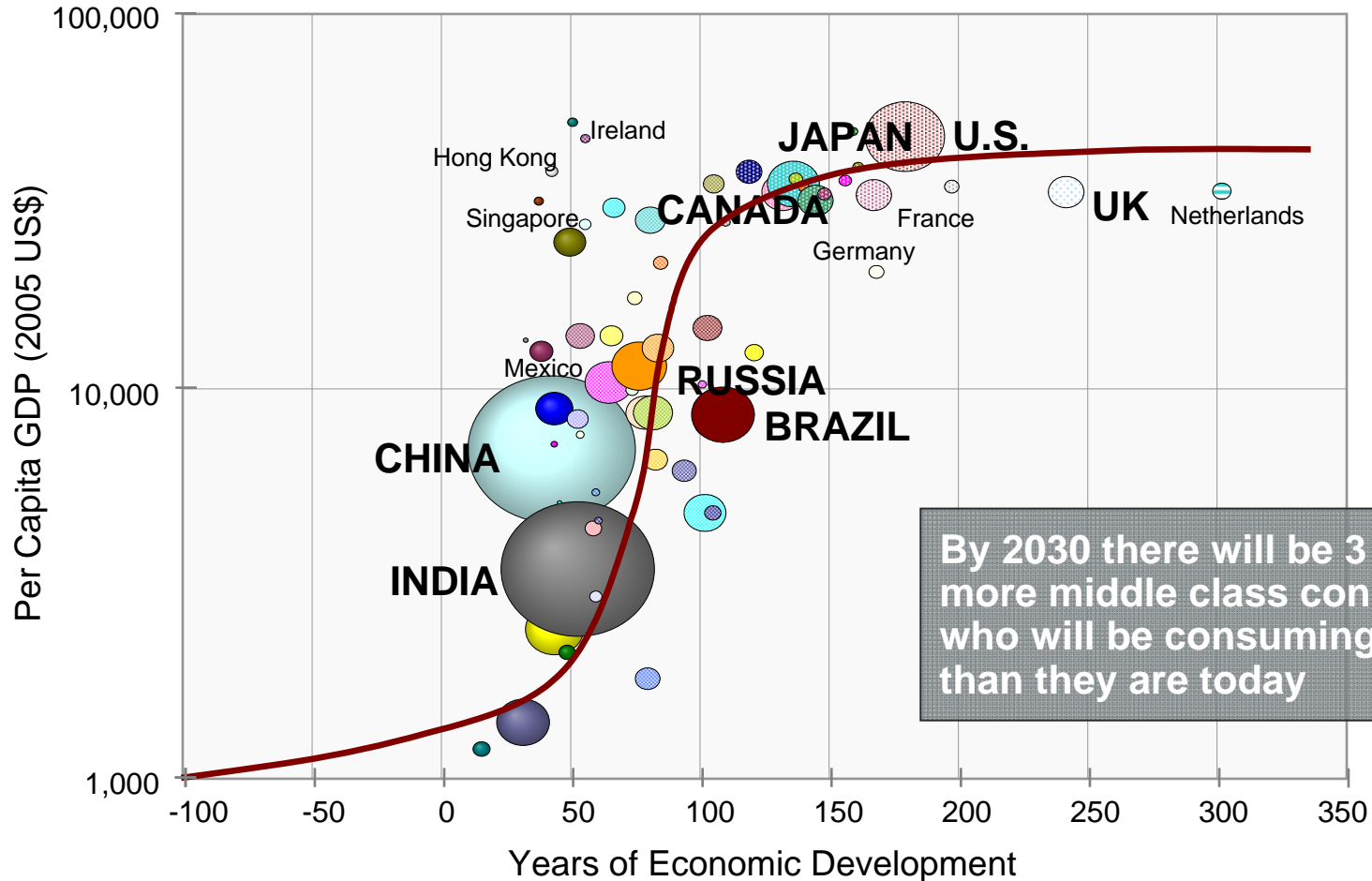


Source: CIA World Factbook, Haver Analytics.

New Middle Class Consumers Will Increase Global Consumption



BUBBLES DEPICT POPULATION AS OF 2005



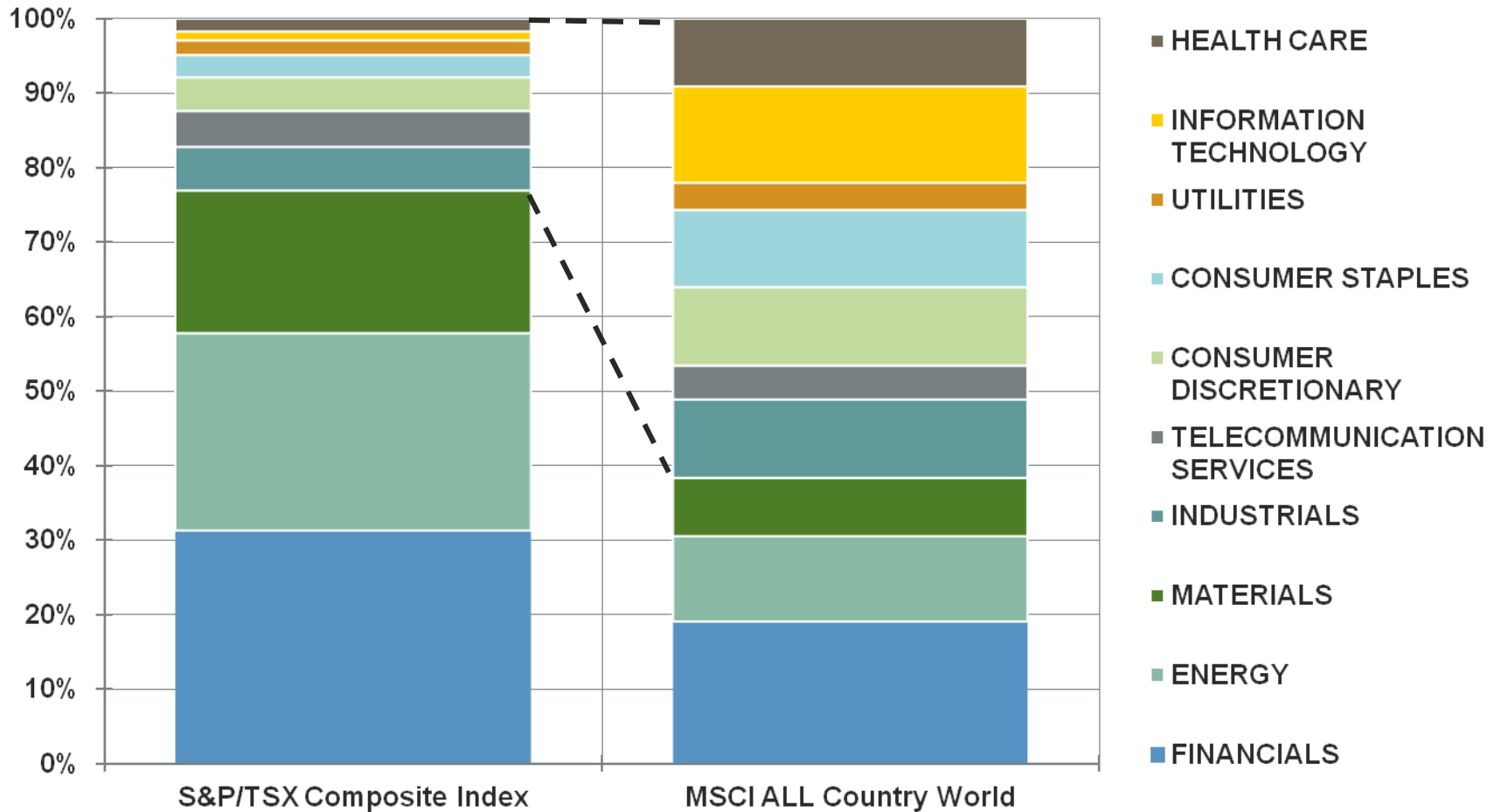
Source: CIA World Factbook, Haver Analytics. IEA World Energy Outlook 2007

What Will The New Middle Class Consumers Buy?



Where do you find these companies?
... the U.S. and Europe!

Investors Can Find More Global Consumer Companies Outside of Canada

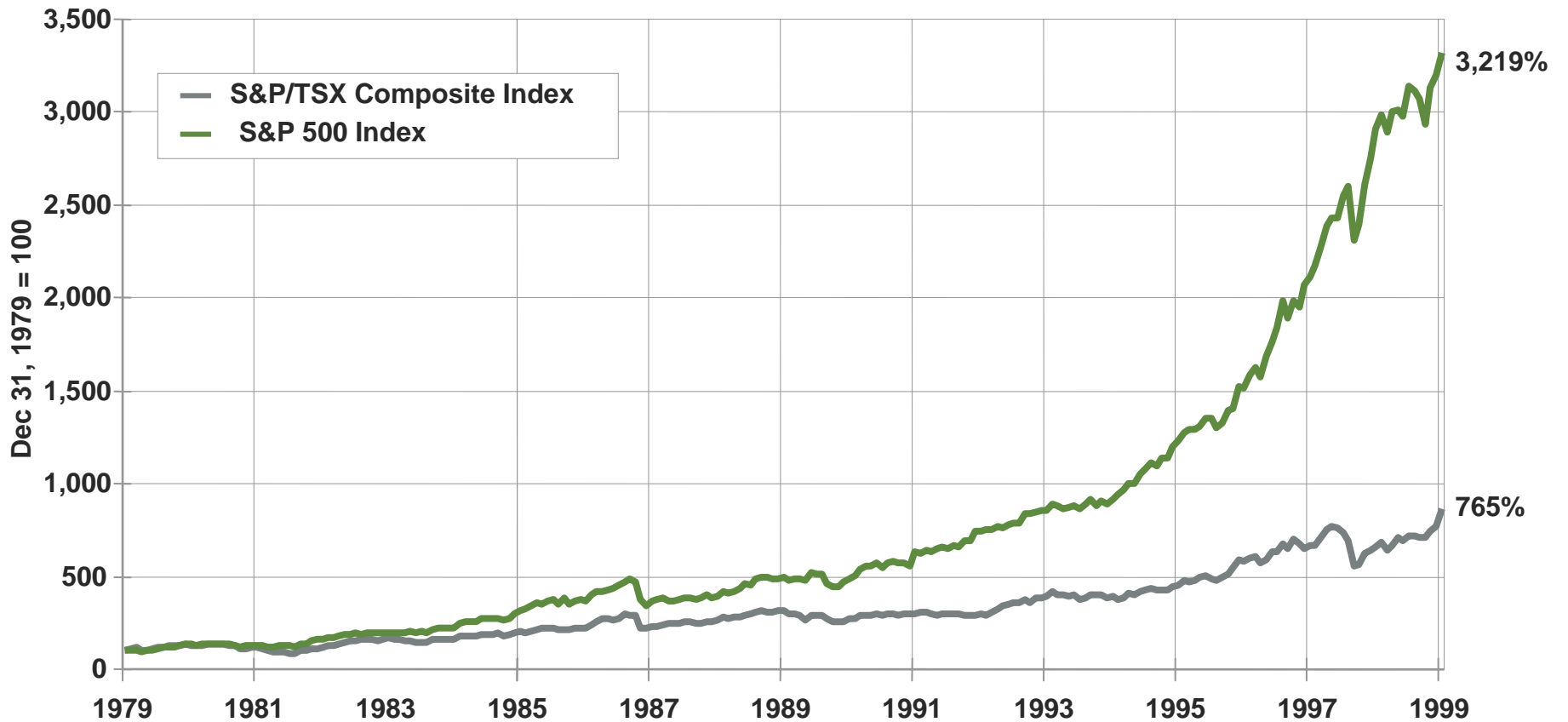


Source: Datastream. As at April 30, 2012.

Don't forget what Canada can be like when commodities don't go up!



CUMULATIVE RETURN (CAD) DECEMBER 31, 1979 TO DECEMBER 31, 1999



Source: Datastream