Your moment & your money: Wealth building years

The Winslow Group
Susan M. Hovanec, CFP®, AEP®,
Managing Director - Financial Advisor
Senior Portfolio Manager
susan.hovanec@rbc.com
202-661-9512

Steven Whittaker, CFP®
Senior Vice President - Financial Advisor
Senior Portfolio Manager
steven.whittaker@rbc.com
202-661-9511

Cari Neitzey, APP, CFP®
Senior Investment Associate
cari.neitzey@rbc.com
202-661-9587

RBC Wealth Management

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Regular investing

An approach to building wealth.

Regular investing enables investors to apply the disciplined savings-first approach needed to help successfully build wealth over time. And by using the valuable investment strategy of dollar-cost averaging (DCA), regular investing can be an effective way to invest in many market conditions.

A sound way to invest over the long term

There will always be investors who are tempted to stop investing during periods of heightened market volatility. Investing regularly enables anxious investors to ease into any type of market.

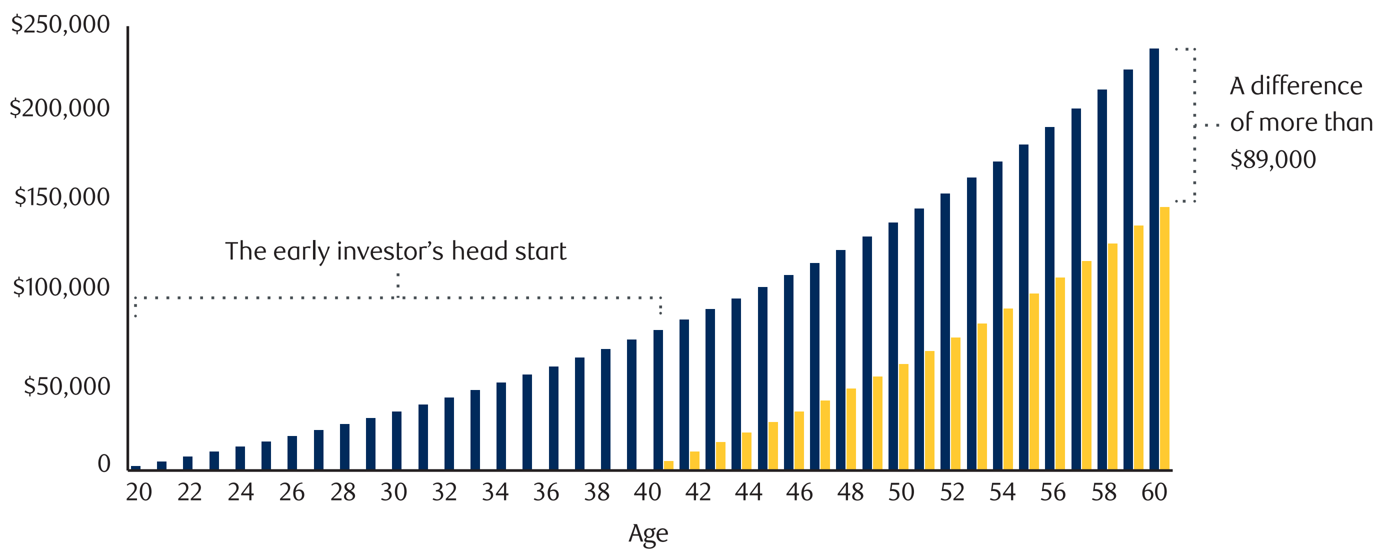
However, building wealth is not simply about saving. Knowing how much, how long and what to invest in is just as vital in order to successfully reach your financial goals. Long-term success is more likely to be the result of time in the markets rather than timing the markets.

Invest early, invest often

Using the chart below, let's take a look at two different types of investors:

- The early investor invests $200/month from age 20 until age 60.
- The late investor invests $400/month from age 40 until age 60.

Investing early can pay off over the long term



Source: RBC Global Asset Management. Assumes 4% per year investment return.

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By age 60, both investors will have invested a total of $96,000. Assuming an annual investment return of 4%, the early investor will have accumulated over $237,000 by age 60, while the late investor will have accumulated about $148,000 by the same age—a difference of more than $89,000 just by starting to invest earlier. While this example uses a simple rate of return, the difference could be more pronounced when investing in the markets, where the strategy of DCA can be used.

Invest regularly

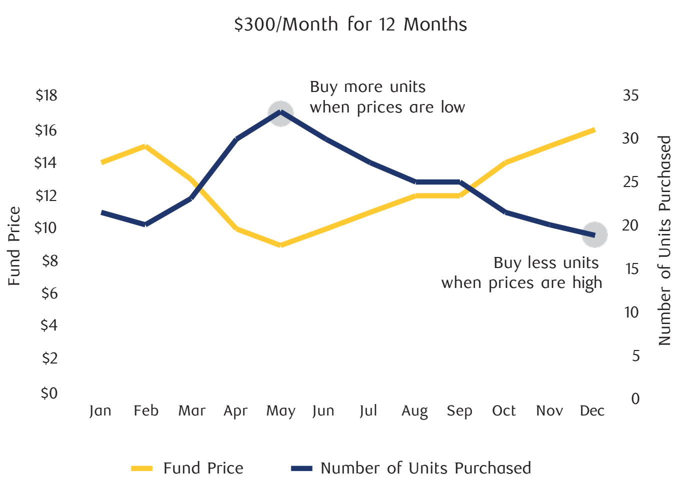
Investing a fixed amount on a regular basis helps ensure that your investment strategy remains a priority through all types of market conditions.

By contributing smaller amounts of money to an investment plan on a continual basis (bi-weekly, monthly), regular investing can act as an anchor to help you maintain discipline when market conditions become volatile.

Regular investing also provides the opportunity to help smooth out returns over time, ultimately reducing overall portfolio volatility. This is achieved because investing a fixed dollar amount on a regular basis gives you a chance to buy more investment units when prices are low and fewer units when prices are high, thereby producing a more level investing experience over the long term.

Talk to your financial advisor about how to take advantage of regular investing, including implementing DCA as a strategy in your long-term wealth management plan.

Investing regularly in a fluctuating market



Source: RBC Global Asset Management Inc. For illustrative purposes only.

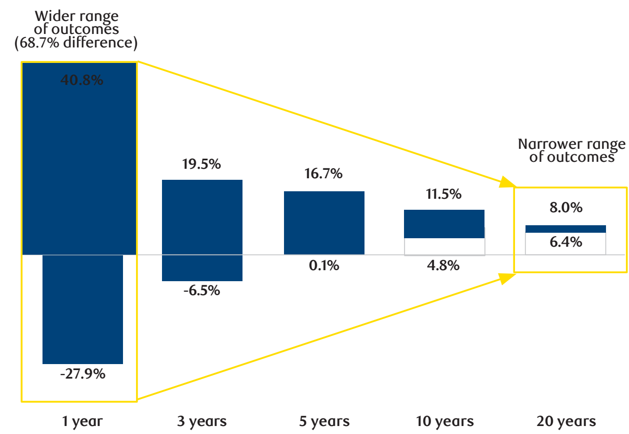
*Fund prices are hypothetical.

Use time to your advantage

Investors who maintain perspective and stay mindful of their investment time horizon have a better chance of reaching their investment goals than those who react to short-term market fluctuations.

Staying invested and trying not to “enter and exit” the markets when volatility increases can help reduce fluctuations over the long term. The longer an investment is held in a portfolio, the less chance it has of incurring a negative rate of return. This is because historically fluctuations in value tend to smooth out over time as the impact of market volatility diminishes. Moreover, years of strong equity markets can outweigh periods of decline, resulting in long-term returns that outperform other asset classes.

Over time, a diversified portfolio tends to experience lower volatility



Rolling 1-, 3-, 5-, 10- and 20-year average annualized returns from January 2001 to December 2023. All returns are in U.S. dollars. Diversified portfolio represented by 2% Cash, 38% Fixed Income, 60% Equities. Cash represented by U.S. Treasury Bills. Fixed Income represented U.S. Aggregate Government Related Index (10%); U.S. Aggregate Investment Grade Index (14%); U.S. Aggregate High Yield Index (5%); Global Aggregate (9%). Equities represented by S&P 500 Total Return Index (24%); S&P Midcap 400 Index (9%); S&P Small Cap 600 Index (3%); MSCI EAFE Net Total Return USD Index (20%), MSCI Emerging Markets Index (4%).

Source: Morningstar, RBC Global Asset Management.

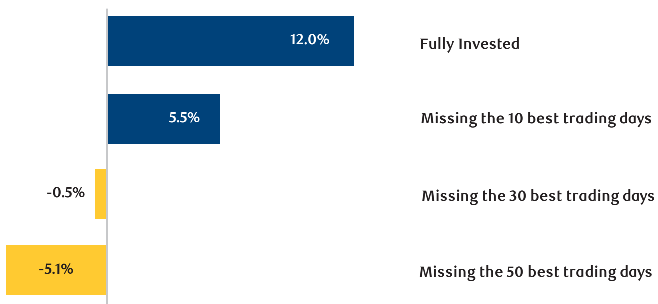
Maintain discipline

Reacting to short-term market “noise” by making dramatic portfolio changes, like moving in and out of the markets, can have a negative impact on achieving your long-term investment goals. History shows that by maintaining discipline and perspective during market downturns, patient investors have been rewarded when markets returned to an upward path.

As market volatility increases, investors have a natural tendency to want to move into safer investments, hoping to avoid further losses. However, this move can result in needlessly locking in losses on investments that, given time, are likely to recover. A key to overcoming this tendency is to refrain from trying to time the market. Selling at the wrong time and missing just a few days of a market recovery could have a significant long-term impact on your portfolio.

Historically, why it’s best to stay invested

Missing just 10 best days in the market over the past 10 years would have reduced returns



Based on the annualized returns of the S&P 500 Total Return Index for 10 years, ending December 31, 2023.

Source: Morningstar, RBC Global Asset Management.

Where do you go from here?

The three strategies outlined above can help you stay focused and feel confident about reaching your long-term investment goals. Talk to your financial advisor about these strategies to help ensure you stay the course and maintain confidence through all types of markets.

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Past performance is no guarantee of future results.

Direct indexing

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What is direct indexing?

Simply put, the objective of direct indexing is to closely mirror the performance of a major index, such as the S&P 500, by purchasing and holding individual securities. It should be noted that direct indexing does not necessarily require owning every security in the index. Most direct indexing platforms use "partial replication" and/or optimization techniques whereby portfolio managers can mimic the index's performance while reducing the number of holdings. As opposed to "full replication," such techniques help to lower costs and simplify management.[1]

Why should someone use direct indexing?

One of the benefits of direct indexing is the potential for further tax-efficiency. Using such a strategy opens the opportunity to use tax-loss harvesting, which can be beneficial for long-term investors, especially those in higher tax brackets. This approach involves recognizing and utilizing capital losses to offset capital gains by selling securities at a loss.[2]

Another benefit of direct indexing is that it grants the ability to customize the individual securities within an account. For example, if an investor has a strong preference for responsible investing or wants to reduce stock concentration compared to the index, they can utilize direct indexing to create a portfolio that aligns with their investment objectives. Such control also gives investors the ability to proxy vote for the individual securities that they own.

With the benefits of replicating a major index and tax-efficiency, the following question sometimes arises: *Why would an investor not just invest in passive index exchange-traded funds (ETFs)?*

The passive choice: direct indexing or index ETFs?

When it comes to investing, there is no one-size-fits-all solution, and the unfortunate answer is often, "It depends." Direct indexing and index ETFs exhibit several differences, including tax efficiency, customization and cost. Below, we delve into some of the most common scenarios investors may find themselves in and which solution may be best.[3]

1. Direct indexing investing is subject to risk, including the loss of principal. There is no guarantee that direct indexing investing will meet an investor's objective or produce the desired tax results.
2. Tax-loss harvesting. IRS rules stipulate that if a security is sold by an investor at a tax loss, the tax loss will not be currently usable if the investor has purchased the same or substantially identical securities 30 days before or 30 days after the sale. This so-called "wash sale" rule is applied with respect to all of the investor's transactions across all accounts.
3. Exchange-traded fund involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices.

Scenario	Strategy	Why
Investor using a qualified account	**Index ETFs**	Since tax-loss harvesting may not apply, it may not make sense for an investor to pay extra for direct indexing.
Affluent investor	**Direct indexing**	With larger minimums and fees, direct indexing is better suited for high-net-worth individuals who can build a diversified portfolio despite higher minimum investment requirements and higher fees. Additionally, tax-loss harvesting, could prove beneficial, helping to offset any capital gains and potentially increasing after-tax returns.
Small account, fee-sensitive investor	**Index ETFs**	Smaller accounts can invest in a diversified portfolio of ETFs at a low cost while keeping annual capital gains low.
Desire to customize holdings	**Direct indexing**	Direct indexing allows for customization based on preference, providing greater control and transparency over individual holdings. Investors can restrict certain companies, industries and sectors they do not wish to invest in. Additionally, direct investing gives participants the advantage of tracking their holdings in real-time, as opposed to index ETFs, which only update daily. Of course, customization can be done in most managed accounts independent of tracking an index or being actively managed.
Transitioning concentrated positions	**Direct indexing or exchange funds**	Direct indexing is a solution for transitioning concentrated positions or unmanaged accounts, but exchange funds could also be considered in this scenario.

While the decision-making process may seem straightforward, we found that an even further simplified framework can help. If a taxable investor is interested in passive index investing and could build a diversified account using higher minimum managed accounts, direct indexing is an option to consider.

Moreover, direct indexing can complicate end-of-year taxes due to the need to account for individual securities, but also allows for the gifting of individual securities, which can be an advantage.

Direct indexing and index ETFs are both valuable passive investment strategies, each with its unique benefits and drawbacks. By carefully considering your specific needs and circumstances, you can make an informed decision that best suits your investment goals and preferences.

To learn more about direct indexing, contact your RBC Wealth Management financial advisor.

Saving for college?

Consider 529 plans

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If you have young children and are wondering when is the best time to start saving for college, the answer is now.

College costs are high. The current average cost for tuition, fees, room and board at a four-year private college is $61,000 per year, according to the College Board. For a four-year in-state public school, the corresponding cost is $25,850 annually.[1]

These numbers are daunting. But if you start saving early, you will be in a better position to meet college costs. One of the best savings vehicles available is a Section 529 College Savings Plan (named after the portion of the IRS code that authorizes these accounts).

- **You may realize significant tax benefits** — In a 529 plan, your contributions and investment gains can be withdrawn free from federal income tax when used for qualified higher education expenses.[2] Many states also offer taxpayers a tax incentive to use in-state plans.
- **You can contribute large amounts** — You can contribute up to $95,000 per beneficiary to a 529 plan—$190,000 for married couples filing jointly—in the first year of a five-year period without incurring any federal gift-tax consequences, provided you do not make any additional gifts to the same beneficiary in the same five-year period.[3] Total plan contribution limits can vary by state.
- **You get estate planning benefits**[3] — When you move money into a 529 plan, you're moving it out of your taxable estate. Yet, as the account owner, you still retain control of the funds. That's an estate planning benefit not available through many other vehicles.
- **You control withdrawals** — As long as you are the owner of the 529 plan, you control all withdrawals for the life of the account. You can even change beneficiaries, if you choose.
- **You have flexibility** — You can transfer assets from one 529 plan to another or change investment options without changing the beneficiary. You are, however, limited to one rollover in a 12-month period and two investment changes per calendar year.
- **You may use savings for K-12 tuition** — You can now take federal income tax-free disbursements of up to $20,000 annually for K-12 tuition and other qualified educational expenses from a 529 plan; however, state income tax laws vary. Please check with your tax advisor on the tax implications of using a 529 savings plan for K-12 expenses before taking a disbursement.
- **You may use savings for student loan repayment and apprenticeship programs** — Families are able to take tax-free 529 plan distributions for student loan repayment, with a lifetime limit of $10,000.

  529 plans can also be used to pay for apprenticeship programs that are registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act.

529 Roth IRA rollover option

Since 2024, eligible 529 plan owners can roll over up to $35,000 (a lifetime limitation applicable to each beneficiary) from their 529 plan to a Roth IRA owned by the plan's designated beneficiary. These rollovers are subject to the annual contribution limits, and the 529 account must have been open for the beneficiary for more than 15 years. This new provision provides the opportunity to retain family savings and help the beneficiary save for retirement without penalties.

How do I pay for a 529 plan?

Like mutual funds, 529 plans may charge a sales charge. In addition, you may pay an annual fee for participating in the plan. You will also pay administrative and management fees that are deducted directly from plan assets much like the expense ratio of a mutual fund. Consult the plan documents for a more comprehensive explanation of the fees.

529 plans offer important benefits. Consider putting a 529 plan to work for you and your family.

Call your RBC Wealth Management financial advisor today for more information.

[1] Based on the 2024–2025 average total costs of a four-year college education, including tuition, fees, room and board (Trends in College Pricing and Student Aid 2025).

[2] For more information regarding college savings plans, please visit www.collegesavings.org. Participation in a 529 Plan does not guarantee the investment return on contributions, if any, will be adequate to cover future tuition and other higher education expenses. State programs vary and therefore you should carefully review individual program documents before investing or sending money. Federal income tax on the earnings and a 10 percent penalty on distributions for non-qualified expenses may apply. RBC Wealth Management is not a tax advisor. All decisions regarding the tax implications of your individual investments should be made in connection with your independent tax advisor.

[3] Neither RBC Wealth Management, a division of RBC Capital Markets, LLC, nor its affiliates provide legal, accounting or tax advice. All legal, accounting or tax decisions regarding your accounts and any transactions or investments entered into in relation to such accounts, should be made in consultation with your independent advisors. No information, including but not limited to written materials, provided by RBC WM should be construed as legal, accounting or tax advice.

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Rollover portability chart

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Roll to

Rollover from	Roth IRA	Traditional IRA	SIMPLE IRA	SEP-IRA	Governmental 457(b)	Qualified plan[1] (pre-tax)	403(b) (pre-tax)	Designated Roth account (401(k), 403(b) or 457(b))
Roth IRA	Yes[2]	No	No	No	No	No	No	No
Traditional IRA	Yes[3]	Yes[2]	Yes,[2,7] after two years	Yes[2]	Yes[4]	Yes	Yes	No
SIMPLE IRA	Yes,[3] after two years	Yes,[2] after two years	Yes[2]	Yes,[2] after two years	Yes,[4] after two years	Yes, after two years	Yes, after two years	Yes, after two years
SEP-IRA	Yes[3]	Yes[2]	Yes,[2,7] after two years	Yes[2]	Yes[4]	Yes	Yes	No
Governmental 457(b)	Yes[3]	Yes	Yes,[7] after two years	Yes	Yes	Yes	Yes	Yes[3,5]
Qualified plan[1] (pre-tax)	Yes[3]	Yes	Yes,[7] after two years	Yes	Yes[4]	Yes	Yes	Yes[3,5]
403(b) (pre-tax)	Yes[3]	Yes	Yes,[7] after two years	Yes	Yes[4]	Yes	Yes	Yes[3,5]
Designated Roth account (401(k), 403(b)or 457(b))	Yes	No	No	No	No	No	No	Yes[6]

1. Qualified plans include, for example, profit-sharing, 401(k), money purchase and defined benefit plans
2. Only one rollover in any 12-month period
3. Must include in income
4. Must have separate accounts
5. Must be an in-plan rollover
6. Any amounts distributed must be rolled over via direct (trustee-to-trustee) transfer to be excludable from income
7. Applies to rollover contributions after December 18, 2015

For more information regarding retirement plans and rollovers, contact your financial advisor.

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Roth conversion — is it the right choice for you?

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A Roth IRA can be attractive to taxpayers because qualifying distributions are tax-free, account owners are not subject to required minimum distribution (RMD) rules, and they provide tax and estate planning flexibility.

The assets you convert from an IRA to a Roth IRA are subject to federal and possibly state income tax for the year you convert (to the extent that the converted amount represents pre-tax assets). However, the converted amount is not subject to a 10% premature distribution penalty, no matter what your age is.

The fact that you qualify to convert assets to a Roth IRA doesn't necessarily mean that you should.

For example: If you intend on leaving your IRA assets to your heirs, a Roth IRA is a very efficient way to do this. If your IRA assets will be used for charitable intentions, you may want to leave the assets in a traditional IRA.

The following key questions can help you evaluate whether converting to a Roth IRA might make sense for you.

Do you have funds outside of your IRA to pay the tax bill from the conversion? It is best to use non-retirement assets for your tax bill from the conversion. If you use IRA assets to pay the tax bill and you are under age 59½, not only will you be taxed on the dollars, you will generally owe a 10% penalty tax on the distribution. Plus you'll permanently lose the tax-free Roth IRA growth on that amount.	■ Yes ■ No

If you answered "No" to the above question, a Roth conversion will generally not be advisable. However, if you are a young investor and you expect your income to be considerably higher when the Roth assets are distributed, a Roth conversion may still make sense.

If you answered "Yes" to the above question, please continue with question #1 below:

1. Is your IRA made up mostly of after-tax assets? After-tax contributions are not taxed when converted to a Roth IRA. However, if your IRA contains taxable and non-taxable assets, the amount you convert is deemed to consist of a "pro-rata" portion of the taxable and non-taxable dollars in the IRA. You cannot escape this result by using separate IRAs, nor can you convert just your non-taxable assets. You must aggregate all your IRAs when calculating the taxes due on the conversion. You use IRS Form 8606 to determine the pro-rata taxable portion.	■ Yes ■ No
2. Will you, or your heirs, be in a higher tax bracket when the money is withdrawn? If you believe your income will be higher or tax rates will be increased, having assets in a Roth IRA is more advantageous than in a pre-tax retirement account.	■ Yes ■ No
3. Would you like to reduce your taxable estate? Paying income tax prior to the imposition of estate taxation may offer greater wealth to be transferred to your heirs, because no income tax deduction is permitted for state estate/death taxes levied on IRAs. Your taxable estate may be reduced by the amount of income tax you pay on the conversion.	■ Yes ■ No
4. For the year you are converting, do you have favorable tax attributes such as a charitable deduction carryforward, investment tax credits, net operating losses, etc.? These may reduce the effective tax rate for your conversion.	■ Yes ■ No

Life insurance review

Your life insurance is an important part of your overall financial picture. When was the last time you reviewed your policy?

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Purchasing a life insurance policy should not be a buy-it-and-forget-it transaction. Just as you would evaluate the performance of other assets in your portfolio, life insurance coverage should be periodically reviewed to confirm you have enough and it is still meeting your financial objectives.

What does a policy review accomplish?

- Verify that the policy is meeting your current financial goals and objectives
- Assess whether you have enough insurance coverage
- Confirm that the policy is performing up to expectations
- Validate that ownership and beneficiary designations are properly structured
- Confirm that insurance goals are being met in a cost-effective manner

Potential problems with unmonitored life insurance policies

- Policy may be underperforming
- Loans may be crippling the plan
- Carrier financial ratings may have changed
- Term coverage may be about to lapse
- Premiums may be increasing over time or may soon increase
- Crediting rates may have lowered, making the policy less stable
- Policy charges may have increased since the original purchase

Two results of a policy review

The current policy is acceptable

The existing policy is meeting your current needs and goals, performing well and should be kept. Review your plan again in another one to two years.

A better opportunity is available

If the existing policy has not performed as expected or is no longer meeting your needs, a better solution may be available through alternative insurance products.

How can you review your life insurance policy?

Obtain a copy of your most recent policy statement and provide it to your financial advisor today. A policy review can be put together in as little as 48 hours and give you confidence that your life insurance solution is working optimally.

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Year-end planning

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This is an ideal time to consider year-end strategies that may benefit you and to plan for the year ahead. Please discuss any ideas and questions with your financial advisor.

Traditional year-end planning focuses on deferring income into a future year and accelerating deductions into the current year to postpone tax payments. However, if you anticipate your marginal income tax rates increasing next year—whether due to increased income or changes to tax legislation—you may want to look for ways to accelerate income and defer deductions.

Income tax strategies

If you anticipate being in a **lower** taxable income bracket in 2026 and later:

- If possible, defer income and the sale of capital gains property to postpone taxable income to the following year.
- Bunch your itemized medical expenses in the current year to meet the threshold percentage of your adjusted gross income to claim such deductions.
- Make your January mortgage payment (i.e., the payment due no later than January 15) in December so you can deduct the interest on your 2025 tax return.
- If you can accept the risk of receiving payments over time, use installment sale agreements to spread out any potential capital gains among future taxable periods.

If you anticipate being in a **higher** taxable income bracket in 2025 and later:

- If possible, accelerate income and the sale of capital gains property to receive taxable income in the current tax year.
- Make your January mortgage payment after January 1 so you can deduct the interest on your 2026 tax return.

Additional income tax considerations

- Consider using an RBC Credit Access Line offered by Royal Bank of Canada and RBC Bank (Georgia), N.A. to cover any short-term income distribution gaps.
- Increase your W-2 federal withholding amount in preparation for a significant tax bill or to avoid the under-withholding tax penalty.
- If you have concerns that you may be subject to the alternative minimum tax (AMT), speak with your CPA or other tax advisor before deferring or accelerating income and/or deductions, as your AMT status could limit your ability to benefit from these actions.
- Be aware of the increased availability of residential clean energy tax credits.
- Be sure to alert your CPA or tax preparer if you have income or gains from cryptocurrency in 2025.

Tax-related investment strategies

- Harvest your losses by selling taxable investments that may have unrealized losses to offset those losses against other gains.
- Harvest your gains by selling taxable investments if you have capital loss carryovers or year-to-date losses for the current year. Short-term losses are most effective at offsetting capital gains. Note: Wait at least 31 days before buying back a holding sold for a loss to avoid the IRS wash sale rule.
- Evaluate if you should delay purchasing mutual fund shares until 2026 to avoid capital gains distributions on brand new investments.

Retirement planning—seize opportunities and avoid missteps

- Maximize your IRA contributions. You may be able to deduct annual contributions of up to $7,000 to your traditional IRA and $7,000 to your spouse's IRA for the 2025 tax year. If you are 50 or older, take advantage of catching up on IRA contributions. You may be able to contribute and deduct an additional $1,000.
- Consider increasing or maximizing your 401(k) and other retirement account contributions. These contribution limits have increased for the 2025 tax year as well—$23,500 for the standard contribution limit and a catch-up contribution limit of $7,500.
- Confirm with your tax advisor that you have withdrawn the appropriate amount from your retirement accounts as required minimum distributions before year-end. Consider depositing your RMD into RBC's high-yield savings or cash sweeps. Note that the required beginning date for retirement account distributions increased to age 73 as of January 1, 2023.
- Consider contributions to a Roth 401(k) plan (if your employer offers such a plan, and you are in a lower income tax bracket now than you expect to be in the future).
- Avoid mandatory tax withholding by making a direct rollover distribution to an eligible retirement plan, including an IRA.
- Avoid taking IRA distributions prior to age 59½ or a 10% early withdrawal penalty may apply.
- Consider setting up a Roth IRA for each of your children who have earned income.
- Consider converting from a traditional IRA to a Roth IRA if you are in a low marginal income tax bracket. Partial Roth IRA conversions are permissible.
- Explore taking employer stock from tax-deferred accounts (i.e., a net unrealized appreciation strategy) to take advantage of capital gains tax rules.
- Determine the optimal time to begin taking Social Security benefits, which you can apply for between ages 62 and 70.
- If you have business losses that flow through to your individual tax return, consider a Roth conversion or harvest capital gains to create income that is offset by the business loss.
- Make a Roth IRA contribution if under the applicable earnings limitation.
- Beginning in 2024, it has become possible for a beneficiary to convert a portion of unused 529 plan assets to a Roth IRA under certain circumstances. Check with your tax advisor to determine the extent to which you may take advantage of this strategy.
- Beginning in 2025, it will become possible for individuals aged 60 to 63 to make increased catch-up contributions of up to $10,000 to a retirement plan. However, if you earn more than $145,000, any catch-up contributions will be considered after-tax Roth contributions.

Gifting strategies

Give to loved ones

- Consider making gifts of up to $19,000 per person as allowed under the federal annual gift tax exclusion. Use assets likely to appreciate significantly for optimum income tax savings.
- Make sure your estate plan is up to date, and you have a will, revocable trust, health care directive and power of attorney in place.

Give to those in need—charity

- Make a charitable donation before the end of the year. Remember to keep all your receipts from the recipient charity. If the charitable contribution is made very close to year end, consider using a credit card so that you have a clear record of the date of the contribution.
- Use appreciated stock rather than cash when contributing to charities. This may help you avoid income tax on the built-in gain in the stock, while maximizing your charitable deduction.
- If you are over 70½ and would like to donate to charity from your IRA, you can donate up to $108,000 in 2025 directly to qualified charities using a qualified charitable distribution. You avoid taxes through a direct transfer of funds from your IRA custodian to qualified charities. It is a particularly effective way to direct your required minimum distribution.
- Set up a donor-advised fund for an immediate income tax deduction and provide immediate and future benefits to charity over time.
- Consider bunching several years of charitable contributions into one year with a gift to a donor-advised fund to make your contributions more tax-efficient.

Itemize personal residence and mortgage interest

- Up to $250,000 ($500,000 for married couples filing jointly) of the gain from the sale of your principal residence can be excluded from federal income tax if certain requirements are met.
- Interest on up to $750,000 of mortgage indebtedness incurred after December 14, 2017, is allowed as an itemized deduction if used to purchase or improve a home.

- For mortgages incurred before December 14, 2017, interest will be deductible on up to $1,000,000 of debt (the old cap), even if refinanced after December 14, 2017.

Set yourself up for success in the upcoming year

Wrap up 2025

- Review the opportunity to consolidate your cash into RBC's high-yield savings or cash sweep solutions
- Send capital gains and investment income information to your accountant for a more accurate year-end projection.
- Check your health savings account contributions for 2025. If you qualify, you can contribute up to $4,300 (individually) or $8,550 (family), and an additional $1,000 catch-up if you are age 55 or older. Confirm you've spent the entire balance in your flexible spending accounts for the year.
- Revisit contribution amounts to your 529 plan accounts.
- Open an RBC Credit Access Line to be ready for unexpected opportunities or events.
- Review your Medicare Part D and supplemental coverage plan to potentially make a change during open enrollment, which begins in October.
- Check with your financial advisor and tax advisor about the possible year-end impact of SECURE 2.0 Act and related regulations. These regulations may impact how and when you must take distributions from inherited IRAs.

Planning for 2026

- Discuss major life events with your financial advisor to confirm you have clarity in your current situation and direction for tomorrow. This includes family, job or employment changes and significant elective expenses (real estate purchases, college tuition payments, etc.)
- Plan your health savings account contributions for 2026. If you qualify, you can contribute up to $4,400 (individually) or $8,750 (family), and an additional $1,000 catch-up if you are age 55 or older.
- Check that your account preferences, risk tolerance and investment objectives are up to date with your financial advisor.
- Double check your beneficiary designations (employer-sponsored retirement plans, 401(k)s, IRAs, Roth IRAs, annuities, life insurance policies, deferred compensation plans, etc.), transfer on death (TOD) designations and payable on death (POD) designations. They should be updated as necessary and align with your estate plan.
- Review whether you have designated a trusted contact person on each of your accounts to help protect your assets against fraud and financial exploitation.

RBC Wealth Management

RBC Credit Access Line is a securities-based, demand line of credit offered by Royal Bank of Canada and RBC Bank (Georgia), N.A., Equal Opportunity Lenders and bank affiliates of RBC Capital Markets, LLC. Subject to Credit Approval. Securities-based loans involve special risks and are not suitable for everyone. You should review the provisions of the RBC Credit Access Line agreement and related disclosures, and consult with your own independent tax and legal advisors about any questions you have prior to using RBC Credit Access Line. Considerations should be given to loan requirements, portfolio composition and diversification, time horizon, risk tolerance, portfolio performance expectations, and individual tax situations. **There are important risks associated with securities-based loans that you should consider: •You will be required to deposit additional cash or securities, or pay down the line of credit, should the value of your securities decline below the percentage equity you must maintain or the percentage equity you must maintain increase. During a market downturn in which the securities in your portfolio decline in value, the percentage equity you must maintain will cause your losses to be greater than if there were no loan against your portfolio. Your losses can exceed your original collateral amount. •You are not entitled to an extension of time to satisfy equity percentage requirements.•Should you be unable to maintain the required percentage equity, some or all of your securities may be sold without prior notice to you. In the event of such a sale, you will not be entitled to choose which securities are sold, your long-term investment strategy may be interrupted and you will be responsible for all resulting fees and tax consequences.•The equity percentage requirements may increase at any time without prior notice to you and may require you to pay down your line of credit, in part or in full, at any time and for any or no reason.•The rates, terms and conditions of your RBC Credit Access Line are subject to change in accordance with the terms of the RBC Credit Access Line agreement.•Should the rate of your RBC Credit Access Line be set to float against an index, you will be subject to greater interest costs in a rising interest rate environment. RBC Credit Access Line is a non-purpose facility. The proceeds of an RBC Credit Access Line may not be used to purchase, trade, or carry margin stock or repay a margin debt that was used to purchase, trade, or carry margin stock. Repayment of all proceeds of RBC Credit Access Line advances may be demanded if there is reason to believe they were used to purchase or carry margin stock. RBC Wealth Management, a division of RBC Capital Markets, LLC, is a registered Broker-Dealer, Member FINRA/NYSE/SIPC, and is not a bank. Where appropriate, RBC Capital Markets, LLC has entered into arrangements with the Royal Bank of Canada and RBC Bank (Georgia), N.A. to help facilitate and service your RBC Credit Access Line. Neither RBC Wealth Management, nor its affiliates or employees provide legal, accounting or tax advice. All legal, accounting or tax decisions regarding your accounts and any transactions or investments entered into in relation to such accounts, should be made in consultation with your independent advisors. No information, including but not limited to written materials, provided by RBC Wealth Management or its affiliates or employees should be construed as legal, accounting or tax advice.**

Add external accounts with RBC Total Wealth

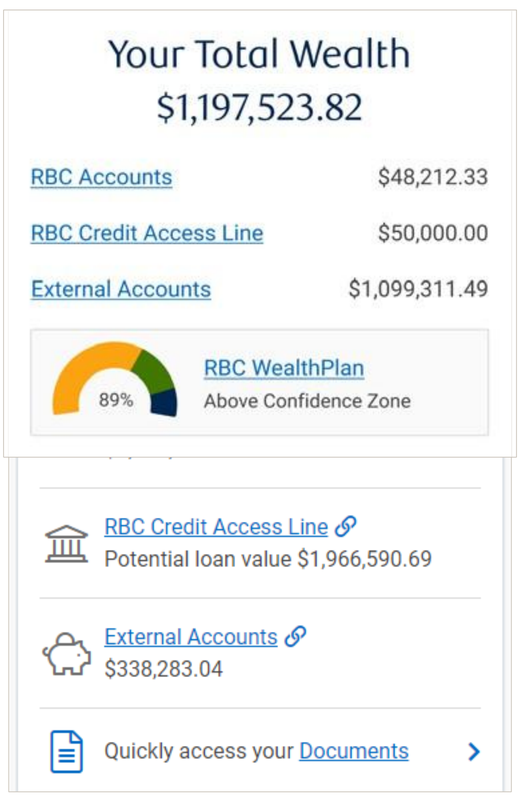
Wealth Management

RBC Total Wealth helps organize your information and delivers a view of your financial life in one convenient place. With secure connections to thousands of financial institutions and access to a wide assortment of accounts—including checking, credit cards, 401(k), mortgages and real estate—you and your advisor gain a more complete view of your financial picture.

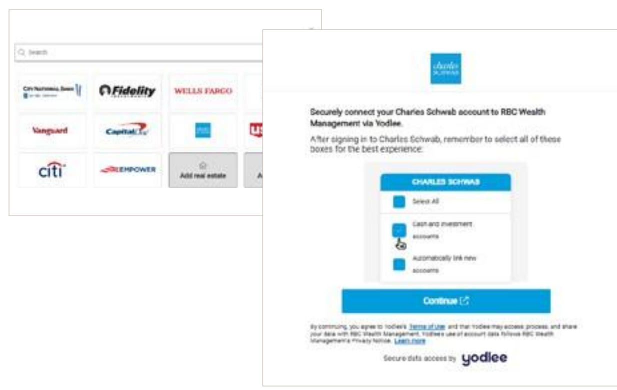
Connecting your external financial accounts

Log in to your RBC Wealth Management Online account and complete the following steps:

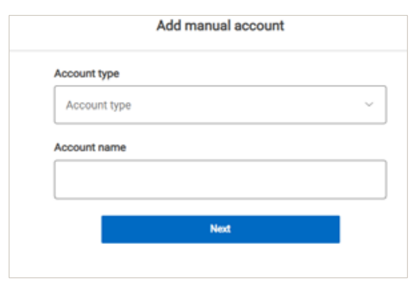
1. From your Home page, in the Your Total Wealth section at the top of the screen, click “External Accounts.” From the “External Accounts” section, click “Edit” and then “Add an Account” button to begin.



2. A box will appear that will allow you to connect accounts by clicking on the most commonly used financial institution tiles or by searching for the financial institution and entering your username and password. Or you can enter the accounts manually with a value, name and account type.



3. If you cannot find an institution, you have the ability to add an account manually. Select “Add manually” from the list of tiles, select the account type, add an identifiable account name and the balance on the account. Click “Save and finish” to complete the manual account addition. This account balance is a point in time value that will need to be updated as needed.



For illustrative purposes only

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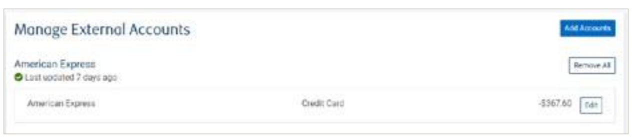
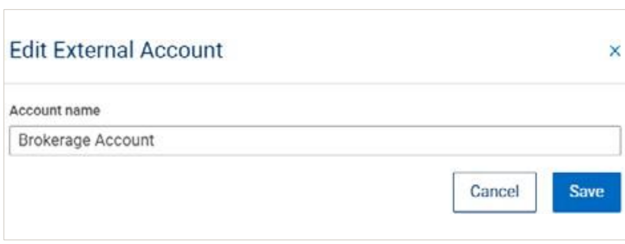
4. After completing setup, your Home page should refresh and your external account(s) will display in the External Account section.

Managing and reconnecting your external accounts

From the Wealth Management Online Home page in the External Accounts section, you can click "Edit" then the "Manage External Accounts" button to open the Accounts screen and manage the details/status of accounts already listed. You can also click the "Add Accounts" button to add additional external accounts.





The green checkmark indicates that the account data is synced with RBC Wealth Management Online.

A red exclamation point box indicates that the link to the account is broken, which may happen if you change your username or password at the institution that holds the account, or you need to re-enter the two factor authentication. To reset the connection:

1. Click the "Reconnect" button on the Manage External Accounts screen.
2. In the dialog box that opens, follow the prompts to enter your username and password for the financial institution.

To change the name for your account, click "Rename". Your updated account name will display only on RBC Wealth Management systems.

Questions?

If you have technical or functional questions about this site, call Client Support Services, toll free at (800) 933-9946 weekdays from 8 a.m. to 10 p.m. (ET) and Saturday from 10 a.m. to 6 p.m. (ET).

If you have investment questions, contact your financial advisor.

Notes

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