

Market Update: March 23th 2015. Warren's 2014 letter to shareholders. Investing for Income. Fiduciary Standard, The Best Investment EVER!

Hello clients and friends.

I haven't sent an update as of late I was out of the country for a couple weeks on a little R&R. So this email is a little bit of a catch up.

Warren released his 2014 Berkshire Hathaway letter to shareholders, no last name needed as he and I are on a first name basis. He talks about moving capital (across opportunities), and to walk away from a dying business. What a novel idea to have a sell discipline. *As many of you know I have a sell signal/discipline for the companies we own.* He also talks about focusing on the strong companies, and to stop allocating capital to the weak ones. Something again I do here. Sometimes people resist investing in companies that are at all-time highs, but if a company is using OUR capital very well, and is growing the business, why shouldn't they be given more? Some of the investment rules I follow are illustrated by a few analogies.

1. If there were ten football games happening this weekend, what teams would you assume are likely to win?....the teams with the best records. We focus on finding the leading companies.
2. If you had a tenant in your rental suite and they lost their jobs, and started to pay you late and less rent each month. Would you keep them around because they are nice? – Likely not. We seek to find long term stable tenants. We focus on companies that are earning more and increasing their dividend to shareholders.
3. Would you drive a car without brakes? – not I. There may come times where we can't find a company to invest our capital in, and in that case we may hold cash or short term bonds. As Warren says, "Cash is the best call option you can have". **\*Call options allow you to purchase a stock at a certain price\***

I highly suggest you take a few moments out of your day to print and read his letter.

<http://www.berkshirehathaway.com/letters/2014ltr.pdf>

I wanted to touch on investment fees and costs. There is a "disclosure of fee" reform coming in our industry and started July 2014, the next phase comes in July 2015, and the final phase of CRM2 comes July 2016.

<http://business.financialpost.com/2014/07/15/four-things-you-might-not-know-about-investment-fees/>

<http://business.financialpost.com/2015/01/03/reform-for-mutual-fund-fees-coming-if-at-a-snails-pace/>

<http://www.cbc.ca/news/business/high-mutual-fund-fees-could-delay-retirement-plans-ccpa-says-1.2969369>

I always have a detailed discussion with clients on fees, but if you need a refresher on what you are paying and the services we provide and the value we add please call.

Is your advisor acting as a fiduciary? Tony Robbins, new book, Money, focusses on a few things, one mainly being the fiduciary standard. What is a fiduciary standard? Fiduciary standard means your advisor must act in your best interest first, before their own. I was talking with a top producer RE/MAX realtor this week in Abbotsford, he was under the impression I only did RBC solutions. I explained no, since I am licensed under IIROC (Investment Industry Regulatory Organization of Canada) I am licensed for stocks, bonds, mutual funds, ETFs, options and futures. For insurance I am licensed with the BC Insurance Council. I am able to source the best solutions for clients, no matter who makes the product or solution. Because of my FCSI designation, Rule 2.1, I must put a client's needs ahead of my own and not exploit a client for personal advantage, Code of Ethics HERE. I compared it in his industry...if he were only able to show condominiums listed by RE/MAX...that's all his clients would ever be shown...how is that right? Is your advisor only able to show you their in-house solutions? Do their in house solutions compensate them more than a better suitable solution from another provider? There is sweeping change coming in Canada, and from the looks there is also in the US.

The best article I found this week...The man that can beat the market every week no matter what. When he was seven years old, Max-Hervé George was given a magic ticket by his father. It lets him turn back the clock, to invest with perfect hindsight week after week, steadily accumulating a fortune. If only these were done in Canada.

<http://ftalphaville.ft.com/2015/02/27/2120422/meet-the-man-who-could-own-aviva-france/>

**Investing for Income & Market Update Seminar \*Postponed for now, since I was away I'll be launching the seminar in a couple weeks"**

- Past Updates: <http://goo.gl/ENr3hi>

**Cameron Wilson, FCSI<sup>®</sup>, CIM<sup>®</sup>, PFPc, Investment Advisor | RBC Wealth Management | RBC Dominion Securities**

T: 604-870-7109 | M: 604-217-5621 | TF: 800-563-1128 | [www.CameronWilson.ca](http://www.CameronWilson.ca)

Please note that we cannot accept trading instructions by email for regulatory reasons. Please call us to discuss any transactions in your account.

Christine Johnston, Associate | Office: 604-870-7148 | [Christine.V.Johnston@rbc.com](mailto:Christine.V.Johnston@rbc.com)

***We accept new clients primarily by referral from our existing clients. We would be pleased to speak with anyone you know who would like a second opinion on their investments.***