

Patrick O'Brien's
Fall 2020 Client Note



Dr. Patrick O'Brien, (DVM), CIM
Wealth Advisor & Vice President
604 467-5321
patrick.obrien@rbc.com
www.patrick-obrien.ca



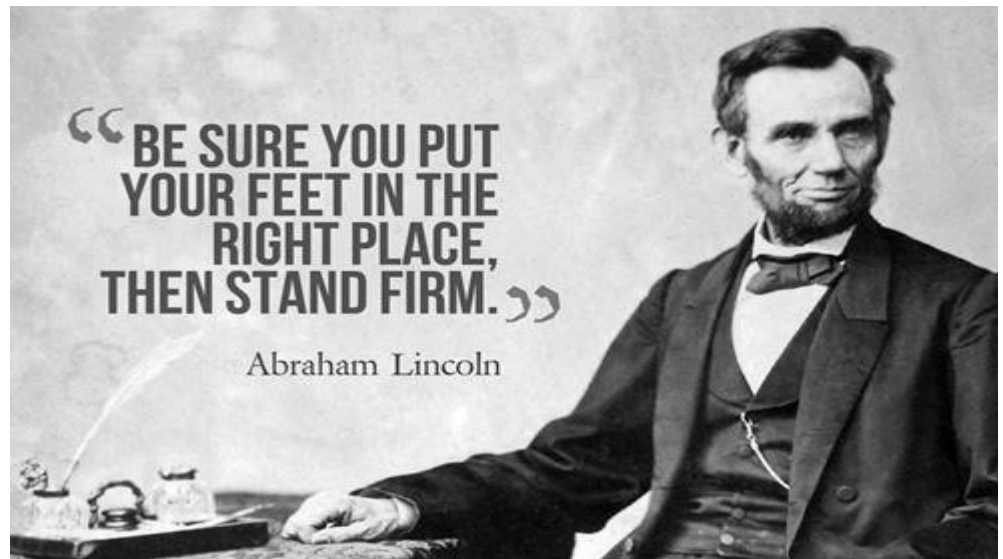
Celine McKay
Senior Associate
604 467-3173
celine.mckay@rbc.com



Tanner Hassell
Associate
604 467-3259
tanner.hassell@rbc.com

Brooklyn Nikiforuk
Administrative Assistant
778 306-9913
Brooklyn.nikiforuk@rbc.com

#200 – 11980 227th Street
Maple Ridge, BC V2X 6J2



Dear Clients and Friends,

“Put your feet in the right place, then stand firm.”
Abraham Lincoln (1809-1865)

The excellent fall weather we have enjoyed is much at odds with the current human anxiety over the continued pandemic disruptions and the approaching presidential election south of the border. I very much like the title quote by Mr. Lincoln - as our investments stand firm and even prosper during this difficult time. The portfolio agrees as it continues its steady “two steps forward, one step back” progression. I have not provided an executive summary this month as I hope that you will read this note in its entirety – and call me for further discussion.

Our Investment Philosophy Summarized:

The next question is, “Where is the “right” place to put your (investment) feet that Mr. Lincoln recommends?” This is a good time to briefly review the investment philosophy we have employed so profitably over the years and has served us well again during this current downturn. I believe we are in the “right” place.

Axiom #1

I don't believe I, or anyone else, can predict the future, yet the papers and other media are full of such chatter.

Axiom #2

A second axiom is that downturns in the market are unpredictable, inevitable, but temporary. If you accept my axioms around the unpredictability of the markets, then we are (temporarily) at a loss as to where the right place to put our (investing) feet is.

Layers of Protections- Onions and Ogres have Layers

I choose to put layers of protection around myself (and my clients), so that my financial health resides in the metaphorical center of an onion. The first protective layer is regulatory safety. I want my companies to be domiciled in countries with the rule of law, market regulators, accounting standards, and analysts. Each of our publicly owned companies must open their books every three months for everyone to examine.

The next layer of protection is owning hard valuable assets - like real estate, a hydro dam, or a drinking water utility at the companies' core. These assets have intrinsic value in our society and provides a valuable financial backstop similar to person who owns their own home.

The third protective layer is based on deep human need - emotional or physical which only changes over millennia not the next 100 years. I want the majority of our companies to send their customers a monthly bill that will be paid in priority. Humans desperately want to keep warm, the convenience of electricity, a place to live/work, and to talk on the phone/use the internet. Modern humans will keep their account in good standing to avoid losing service.

This investment program, I believe, is the "right" place that Mr. Lincoln recommends.

Two Planning Ideas: Reducing Probate Costs and Lowering Taxable Income

If you have a valuable private BC corporation, you might consider using a two will strategy. The corporation(s) are governed by the second will and can avoid the 1.4% cost of probate if structured properly.

Also, please note that you can reduce your Retirement Income Fund (RIF) minimum payment by 25% in 2020 (if you don't actually need the money). This reduces your taxable income caused by the minimum RIF payment for this calendar year.

Office Update:

Tanner and I continue to work from home but are fully functional and can meet outside the office. Celine and Brooklyn are in the office, but we are unable to receive clients beyond the reception counter at present.

I look forward to discussions about investment and your financial planning and I wish you a pleasant fall season.

Regards,

Dr. Patrick O'Brien DVM, Wealth Advisor, VP and Portfolio Manager

Celine McKay, Senior Associate

Tanner Hassell, Associate

Brooklyn Nikiforuk, Administration Assistant

This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein. RBC Dominion Securities Inc.* and Royal Bank of Canada are separate corporate entities which are affiliated. *Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. is a member company of RBC Wealth Management, a business segment of Royal Bank of Canada. ® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © 2018 RBC Dominion Securities Inc. All rights reserved.

