

# PATRICK O'BRIEN'S Spring 2017 Client Note



For the clients and friends of  
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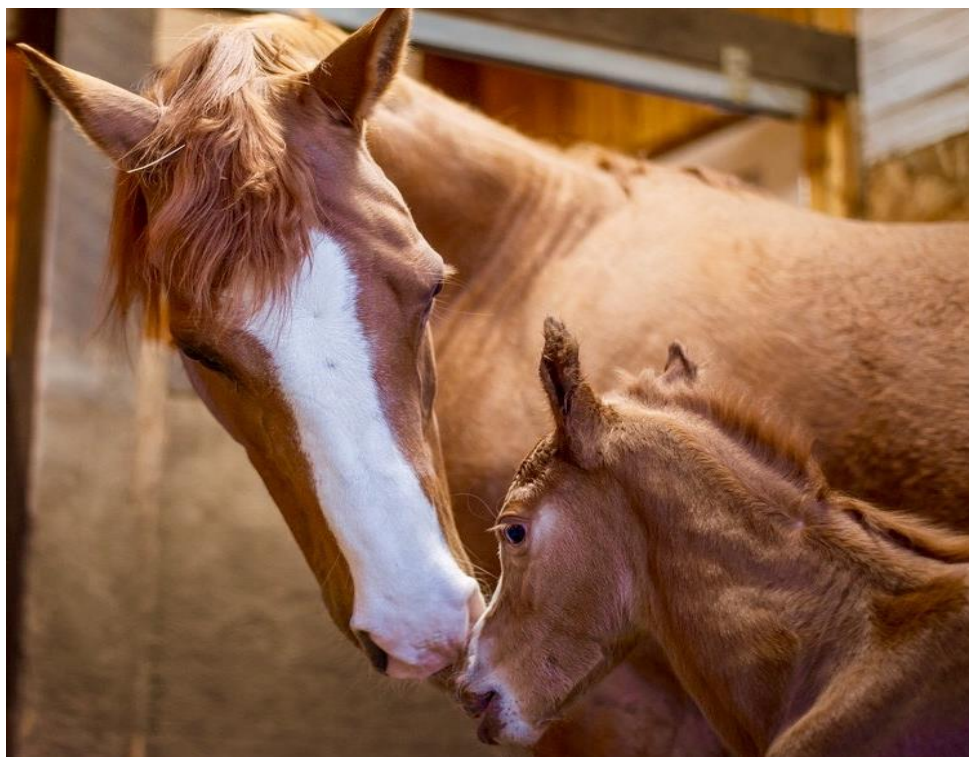
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## Spring 2017 Client Note

Dear Friends and Clients:

Spring is the time for babies. Our foal in the picture is 4 days old. He still doesn't have an official name, but given his overconfident behaviour, "King Kong" comes to mind.

## Introducing Michelle Roberts:

Michelle has joined our group as Kari has moved closer to home south of the river. Michelle has been in the financial industry for 9 years and is excited to be leaving the daily downtown Vancouver commute in the past. She assists Cameron and me with trading, client queries, and support for our associated professionals in law and accounting. She and her husband are raising their young family here in Maple Ridge. Please drop by and say hello.



**Wealth Management**  
Dominion Securities

In my January 2017 note entitled “The Great Zimbabwe”, I discussed the new president of the United States. As expected, he has been colourful and is keeping the world wondering about what’s next. Notably, the repeal of Obamacare failed, a trade war with China seems to have been averted, and there have been air strikes in Syria and Afghanistan. Well, if it isn’t one thing, it’s another and to a greater or lesser extent, it’s been this way since the beginning of civilization. Just in my lifetime, presidents have been assassinated, nuclear arms have been built, interest rates have risen and fallen, wars have been fought, oil prices have fluctuated, and political systems have collapsed.

And yet, the tulips, rise again each spring. Like the reliability of the tulips, people rise each day and go about their business using the goods and services necessary for daily life, largely unaffected by the political winds of the day. And so the companies that make up the bulk of our portfolios that provide for these needs continue to roll along nicely, based as they are on the human need for heat, light, phone service, etc.

I am especially pleased with the number (about 15) of dividend increases announced year to date by my favoured companies. I don’t expect these regular increases to end any time soon as the population and economy continue to grow with their attendant daily human needs. After all, Canada and the US make up only about 5% of the world population with a large habitable land base. Natural law (2<sup>nd</sup> law of thermodynamics) says everything flows from concentrated to dilute. So over the course of many years, I expect that the world population will continue to flow from the densely populated areas to North America.

#### **Planning Notes:**

##### RSP in May, not February

If an RSP contribution fits with your financial/tax planning, then consider making it when you receive your notice of assessment from CRA next month. In this manner, you should benefit from 9 extra months of compounding returns between May 2017 and February 2018. You will also avoid the last minute rush at the end of February.

##### Multiple Will Strategy

For those with valuable private BC corporations, it may be in your best interests to utilize a multiple will strategy. The second corporate will, when properly prepared, removes the need for a grant of probate to transfer the shares. On a 10 million dollar corporation, the expected savings are \$140,000. There is also a saving in time, bother, and legal costs. Those over age 65 might consider an alter ego trust as an alternative. Please call/visit us to discuss.

Regards,

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Celine McKay

Michelle Roberts

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