

Dr. Patrick O'Brien's
Summer 2023 Client Note



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"Rising dividends are like double yolks!"

Dear Friends and Clients,

I hope this note finds you enjoying the warmth of the summer season.

Markets continue to meander, but gradually to the upside, putting the worst year in 40 behind them. Inflation is gradually declining, and I expect that in time, interest rates will follow. I am pleased to report that there have been increases in dividends across most of our holdings. The "chickens" are slightly slimmer than in 2021, but they are "laying" double yolks. 😊

Consider Discounted Bonds from Canadian Banks:

Short term bonds issued by Canadian banks and other large corporations are even better than GICs with generally higher rates of return after tax. These tax efficient bonds provide a much higher return than bank account interest for individuals and corporations. Please call me to discuss.

Some Financial Planning Tips:

RSP Time?

May and June are the months for RSP contributions, much better than waiting to the end of February next year. I have made mine, and the "chickens" purchased are busily laying "eggs".

The power of compounding interest is an amazing thing and fun to watch as the eggs hatch into fully grown layers who begin to lay even more eggs. With the magic of compounding, time and a steady hand are the main ingredients to ensure long term investment success. 😊

First Time Home Buyers Savings Account (FHSA):

This newly created federal program allows eligible residents to put money away for an eventual home purchase. It is valuable, especially for our children, as they get a tax deduction to contribute (like an RSP) and they can draw it out for a qualifying home tax free including any increase (like a TFSA). We have an exhaustive article on the FHSA prepared by RBC DS. Please reach out and we will send a printed or electronic version. It is also on my website in the “Articles” section.

Multiple Will Strategy:

Clients owning a valuable corporation may want to consider this probate saving strategy. Please call me for more information.

Joint Account with the Gift of Beneficial Survivorship

Single people may want to consider this type of account to avoid probate and smooth the transition of their taxable investment account to beneficiaries. The beneficiaries have no access or standing on the account until passing – it belongs solely to the account holder. This account saves the probate fee of 1.4% (\$14,000 per million of account value). Something to consider. Please give me a call to discuss.

Have a great summer and enjoy those double yolks!

Warmest Regards,

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