



FACTS And OPPORTUNITIES

An Investment Update

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McIver Wealth Management Consulting Group - Building on Success

January Update

"Life's most persistent and urgent question is: What are you doing for others?"
-Martin Luther

Quick Market Facts:

The market in both the U.S. and Canada has been under downward pressure since the beginning of the New Year. Technical research (charting) suggests that the secular bull market, which began in the Fall of 2002, may be nearing its highest extension of the current cycle. Inflation and rising interest rates appear to be the potential spoiler in 2005. Fundamental (traditional) research suggests that while corporate balance sheets in the U.S. and Canada are fairly healthy, there is a fear that inflation may erode these over the year. Inflation and rising rates, of course, also negatively affect bond prices (which is only an issue if you intend on selling them). While equities appear to be "fairly" valued at current levels, the market is always looking forward into the future, and what might be next. Because most opinions about economic growth in 2005 are anemic, the equity market may well be as well.

Oil prices appear to have established a new higher trading range and should not break \$36/barrel on the downside (currently \$46) with the potential to move significantly higher. Technical research suggests that gold could again move higher in 2005.

With the above in mind and in order to both protect capital and provide further growth, we plan to make some specific changes to your portfolios in late February and conduct our regular annual portfolio rebalancing in April.

Be well,
Neil

Performance:

Since inception, our Asset Allocation portfolios have been rewarded handsomely. They have provided solid, steady and very attractive rates of return. Recently a number of clients asked how we achieve this steadiness even in times of market fluctuations. The process, the data and the models are unique to McIver Wealth Management Consulting Group and are proprietary. The Asset Allocation model is based upon a database encompassing 130 years of market history.

This information is then weighed against our current outlook. These models are reviewed quarterly and fine tuned annually. Once our basic models are structured, my Associate Mark Jasayko (aka "the Rocket Scientist") performs a rigorous due diligence process in each individual asset class to ensure we own the best performing asset in each class of the model. He repeats this process every ninety days, often resulting in the changes we make. This regular grooming of the portfolios has the effect of ensuring we take profits on assets which have risen, and eliminates stagnant or under performing assets. The Asset Allocation model itself provides the base stability and controls the risk, while the individual security selection provides the out performance. Please call me directly if you have any further questions on this topic at (604) 678-6561.

Neil

Transition Update:

We're on just the fifth day since moving the team to Richardson Partners Financial and we're now settled in nicely. We've had dozens of clients visit us (announced and unannounced!) on the new floor in the same building and Karm has done a wonderful job organizing the documents for client signature. Both Mark and I have been busy on the phones helping clients, who have received the transfer documents by mail or courier, with the paperwork and answering questions.

Continued...

Transition Update (Cont...):

Additionally, Mark and I have been familiarizing ourselves with the number one ranked research of National Bank and the powerful Portfolio Management tools that Richardson Partners Financial provides. As you know, we employ a very successful and sophisticated Asset Allocation process which has proven to reduce risk and provide steady positive rates of return. I'm very much looking forward to adding the portfolio management tools to our process, which will increase the timeliness of our security trades. While much of our research has been increasingly independent in recent years, having access to the top ranked research of National Bank will be advantageous.

I appreciate your patience if we have yet to contact you. If for some reason we need to expedite the transfer process for your portfolio (i.e. to accommodate travel plans or other commitments), please contact us immediately by email or at (604) 678-6561. Mark, Karm or I will be available to help you immediately.

Recently, you may have received a letter from RBC Dominion Securities mentioning the fact that our team has resigned. Unfortunately, this letter contained inaccuracies. At the same time, some clients have received multiple calls from RBC DS advisors attempting to retain the accounts. We apologize for these inconveniences and if you have any concerns or questions, I would be more than happy to discuss this letter, our decision to join Richardson Partners Financial and the benefits we see for our clients at anytime.

Thank you for your patience and I look forward to speaking with you soon.

Cheers, Neil

On the Mark

As the research from the year-end due diligence has been completed, there will be a number of forthcoming changes in our stock recommendations. The new technology at Richardson Partners Financial has enhanced this process and has yielded some exceptional and interesting results. 2005 may well be a very challenging year in the markets and the recommendations are positioned to protect capital in times of uncertainty.

Fund Change – Dynamic Power American Growth to Capital International US. Equity

This replacement occurred in the US Large Growth Company asset class. The Dynamic Fund produced stellar returns over the past six months, but did so by investing in some risky positions such as Apple Computer, Google, and Yahoo. This surprised us. We had envisioned the Fund as more conservative. As a result, we have decided to take the handsome profits and move on to a fund that is not as enamoured with overly glamorous high-tech stocks. Capital International has been managing money for over 70 years and has set the industry standard in conducting fundamental research on companies with growth potential.

Mark

Good Karma

I am very excited and proud to be a part of this transition. Over the coming weeks, many you will be receiving documentation packages in the mail. Included in these packages are a number of different forms to keep an eye open for, such as:

- (1) The first sheet within the package is a Pink sheet entitled "Client Information Sheet." We will require this sheet to be fully completed for our files, as we are required under the "Know Your Client" rule by the IDA to know and understand every client's unique financial situation.
- (2) After the Client Information Sheet is fully completed please review all other forms and ensure to place signature where red dots have been placed.
- (3) Once both the Client Information Sheet is complete and all signature fields have been populated - before you slip the forms into the pre-paid envelope to be returned to our office - please ensure to include a copy of your most recent statements for all accounts held with us.

If you require any assistance with any aspect of the packages or have any questions, please call me directly at (604)678-6563 so we can work through this together. I look forward in speaking with you soon.

Welcome to Richardson Partners Financial!

Karm