

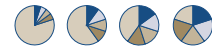
HIGH NET WORTH JOURNAL

An Investment Update



**RICHARDSON PARTNERS
FINANCIAL LIMITED**
FAMILY WEALTH MANAGEMENT

Volume I, Issue I
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MCIVER WEALTH MANAGEMENT
CONSULTING GROUP

What's News

By Neil McIver



Past:

Over 12 years ago, in an effort to better communicate with my clients and to provide context for the current economic market conditions, I created my monthly Investment letter Facts and Opportunities. It began with a catchy or timely quote, in order to gain the readers interest, then discussed the market, or a particular facet

there of. It was designed to be read in less than five minutes. At the time Facts and Opportunities met or exceeded the needs of my clients and I really enjoyed the (mostly) positive feedback I received from it each month. Interestingly, I always found the quote the most difficult part of the writing process as I hunted through numerous sources seeking just the right tone to match, contrast or highlight the general mood of my clients and the world. All things change however.

Change:

My client base generally has become far more successful financially over the years, I like to think partially with my help, and your needs as clients have changed. Clearly, competent portfolio management has become more important to financially successful Canadians than the latest hot stock, as has family wealth management and legacy planning become more important than the best GIC rates. Indeed these shifts in your needs, Canada's most successful individuals and families, in a great part influenced my move from Dominion Securities to Richardson Partners Financial Limited (RPFL) just over a year ago. Richardson Partners was uniquely designed and structured

to meet the needs of Canada's highest net worth families and has already been rewarded for it's foresight by attracting on average the wealthiest clients of any Investment Dealer in the country, bar none. Having just moved through five and a half billion in assets under management with our first 43 partners, Richardson Partners has gained the reputation in the press in Canada as the new leading standard in advice for the most successful high net-worth and ultra high net-worth families. I'm proud to be one of two founding partners here in Vancouver.

Similarly, in order to evolve to serve your needs, I expanded our exclusive professional group to include our Portfolio Analyst Mark Jasayko , our Business, Family Wealth and Estate Planning Consultant Tricia McIver and of course our Market and Service Specialists Karm Bhatti and Saleena Vellani. I'm not aware of a more experienced and professional group and I am very proud of them.

Future:

I recognized some time ago that our monthly investment letter needed to evolve to meet and ideally anticipate your needs. We needed a regular exclusive client-only publication which provided some of the same general market analysis and forecasts the original did, while at the same time 1) discussing weightier economic and market realities and 2) providing specific advice on how to maintain and protect family or business wealth into the future and from one generation to the next. To create a publication such as this, it therefore made sense to ensure you heard from each member of our group in their respective areas of expertise. You hold that publication in your hands. The High Net Worth Journal may be a little longer and more developed than the original, however, it will be just as direct, readable and certainly more relevant to your specific current economic position. I hope you enjoy it and find it valuable. Please feel free to pass it on to family members or colleagues who may be in need of advice and who are in a similar financial position as you.

I would appreciate your feedback on this new publication via email (neil.mciver@rpfl.com)

On the Mark

By Mark Jasayko



Most of you are familiar with the fact that we currently invest a portion of your portfolios in RBC O'Shaughnessy funds. The fund manager behind these products, James O'Shaughnessy of Bear, Stearns & Co. in New York, has recently published his third book. Titled Predicting the Markets of Tomorrow,

O'Shaughnessy provides critical insight into the future direction of markets based on data going back 200 years. He breaks down this long stretch of time into rolling 20-year periods and then probes into what the last twenty years say about the next twenty years.

One of the critical elements upon which he focuses is "Regression to the Mean," or the tendency of things to revert back to average. I have discussed this topic previously in this column to highlight the natural progression where an investment or asset class that has outperformed for a sustained period of time is destined to lag the market going forward (otherwise Microsoft would have taken over the world three times over by now!).

So, what does O'Shaughnessy's data and analysis tell us? First, Growth Stocks recently had their best 20-year stretch ever. Bonds also just had their best 20-year stretch. Value Stocks and Small Company Stocks just had one of their worst 20-year stretches. Mix this in with the evidence that Value Stocks and Small Company Stocks have almost always trounced Growth Stocks and Large Company Stocks respectively over the very long haul, and a compelling picture of the next twenty years begins to emerge.

O'Shaughnessy's conclusion is that Value Stocks and Small Company Stocks will experience a re-emergence and outperform other categories. He also indicates that many Bonds will face tough times over the next two decades as upward pressures on rates reduce their market price. The most susceptible will be Bonds with very long maturities.

It is encouraging to read that a researcher of the highest calibre reputation is echoing what we have also concluded and have already begun to incorporate into our clients' portfolios. We have recommended a greater weight in Value Stocks over the last two years. Recently, we have given more consideration to Small Company Stocks in the US. Additionally, we have limited the average maturity of the Bond component to the intermediate term. (As an aside, Intermediate Bonds have significantly outperformed the other maturities over the last century)

However, this is not an "all or none" endeavour. Just as James O'Shaughnessy advocates, and as our Asset Allocation process mandates, we still have exposure to many other asset classes. There will be some years ahead where the added diversification will provide welcome comfort as the markets take the occasional detour on their way to their eventual destination.

Sincerely Saleena

By Saleena Vellani



I am very happy to have re-joined the McIver Wealth Management Team at Richardson Partners Financial and I want to personally thank everyone for the very warm welcome they have given to me.

Deposits:

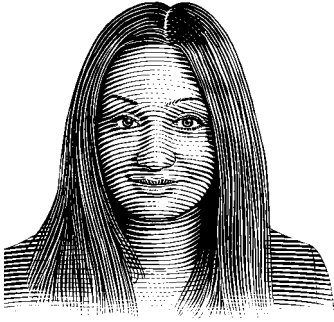
As a preventative measure against money laundering, we will not accept cash deposits under any circumstances. We will also not be accepting bank drafts without a confirmation from the issuing bank that the funds were drawn on an account in the same name as the account into which the draft is being deposited. Since there is essentially no audit trail for a bank draft, it is considered to be no different than a cash deposit.

Taxes:

As you prepared to file your 2005 income tax return, the volume and complexity of the tax forms you may have been required to submit probably appeared overwhelming. Please keep in mind that we do not mind speaking directly with your tax advisor and providing them with the necessary information and forms. We found this to be the best method for our clients.

Good Karma

By Karm Bhatti



Rebalancing:

As you maybe aware we have begun our annual re-balancing of our Asset Allocated portfolios. Neil will be contacting you shortly, if he has not already done so, to go over the recommended adjustments to your portfolios. As always, the re-balancing of your portfolios will produce a flurry of trade confirmations. You can either

hold on to each of these slips or once you have reviewed them simply shred them, as they are recorded on your monthly statement. If you have any questions regarding these trade slips please do not hesitate to call me directly at 604-678-6563.

Brookfield - Stock Split:

On April 3, 2006, the company announced that shareholders would receive one additional share for every two shares held. If you hold this position, this stock dividend transaction took place in your account on April 20, 2006.

Preserve and Protect

By Tricia McIver



I am very pleased to be part of the McIver Wealth Management Team. As many of you have read Neil's Christmas Letter, you will know that my role within the team is to provide to our clients guidance and advice on Business Succession planning (transferring family businesses to the next generation or

selling it completely), Legacy and Taxation issues. I look forward in my column to bringing a number of issues to light as well as recommending specific courses of action and solutions. In my

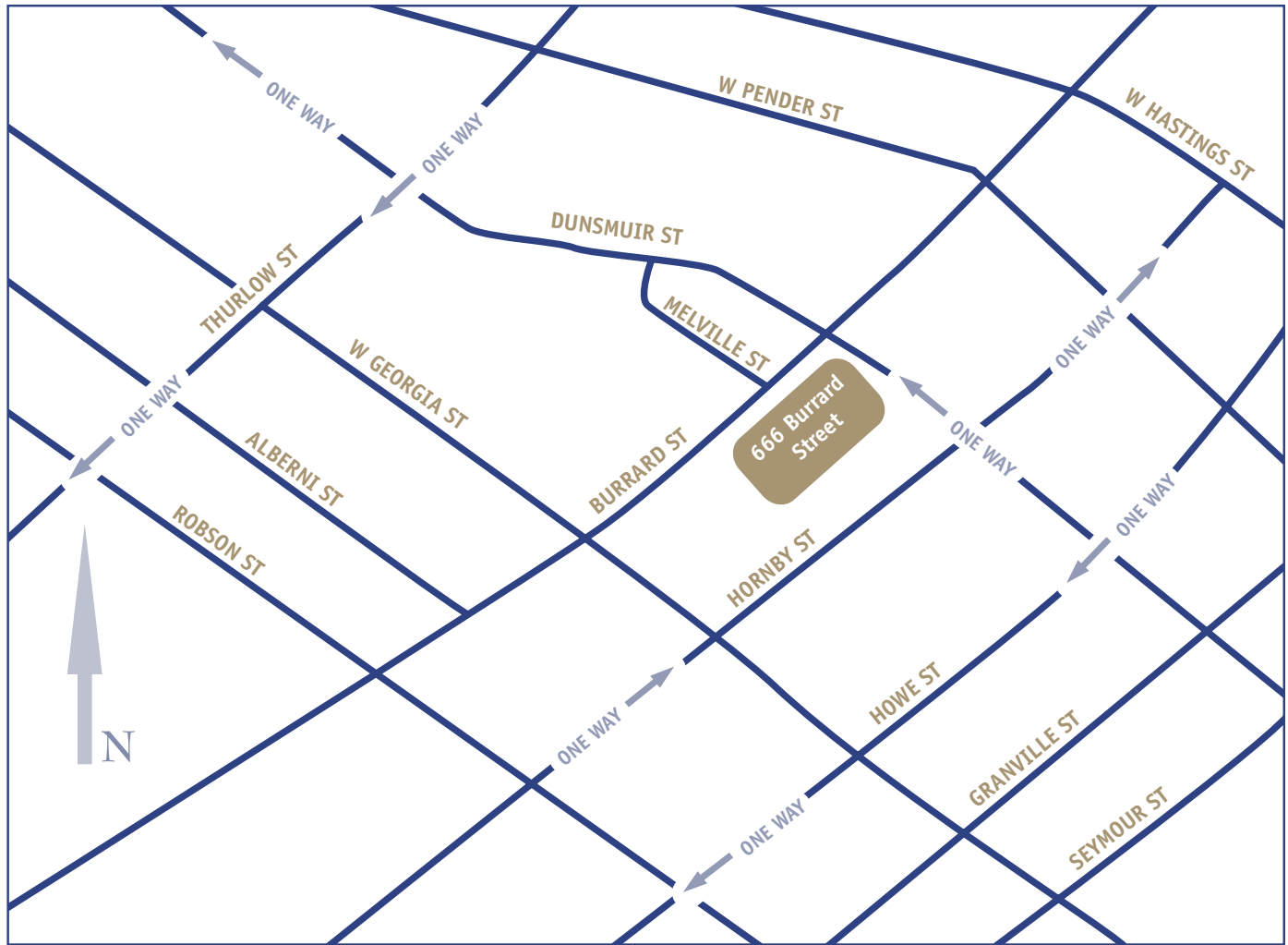
fourteen years in public practice as C.A. and four years as the Vancouver Advanced Case Consultant for a major Canadian Life Insurance company, I understand the areas that are most likely to cause difficulty for most clients.

The goal of Wealth Planning is to ensure the wealth you have created in your lifetime is maintained as tax-efficiently as possible in order to preserve and enhance your lifestyle. Secondly, Wealth Planning seeks to ensure that your wealth is preserved and efficiently transferred to the next generation in order to create a legacy for children and grandchildren. This might involve strategies on bringing the next generation into your family business or effectively wrapping up a business venture and turning these assets into a tax efficient income. Likewise various legal entities, such as trusts or corporations, may be utilized to maximize potential tax benefits.

Legacy Planning involves a number of disciplines, namely wealth planning, taxation and law. It involves the drafting of a number of legal documents which set out the plan for how assets are to be managed, both during one's lifetime and afterward. These legal documents often state ones wishes with regards to non-financial issues as well, such as guardianship of minor children or stewardship in regards to other legal entities. And these legal documents set out the rights and responsibilities of individuals who are appointed to carryout the directions of the documents.. Another aspect of Legacy Planning is effective communication of the Plan to those individuals, typically children and grandchildren, and entities, such as charitable organizations, who are affected by and benefit from the Plan. Effectively communicating the Plan to the heirs will allow them to prepare themselves for the responsibilities associated with the wealth they inherit. This approach provides a solution that prepares both the family members and the family wealth for a successful wealth transfer.

An interesting recent survey of high net worth families confirms two important realities. Firstly, that most high net worth individuals and families feel that they are significantly lacking in advice and strategies to tax-efficiently retain their wealth and to transfer to the next generation. Secondly, that the vast majority has done little or no Wealth Planning as the bulk of their time is consumed by either continuing to create wealth or enjoying the fruits of their labour. I look forward to working with you in these specific areas. Please call me on my direct line (604) 678-6565 or by email tricia.mciver@rpfl.com if you have any questions for me.

Visit Us in Person or Online!



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