HIGH NET WORTH JOURNAL

An Investment Update

RICHARDSON PARTNERS FINANCIAL LIMITED
FAMILY WEALTH MANAGEMENT

Volume I, Issue II
June 8, 2006

MCIVER WEALTH MANAGEMENT
CONSULTING GROUP

What's News

By Neil McIver

Correction:
As evidenced by the sharp correction this month, it's safe to say that the Canadian equity market (TSX) now holds more risk than at any time in the past three years. Ironically, this risk has been created primarily by the same factor that has provided the majority of the growth we've experienced in the market over those three years: Commodities. Commodity- based companies now make up over forty-three percent of the market on this side of the border. Demand for our commodities has been great not only from the U.S. and Europe, but also increasingly from the BRIC countries (Brazil, Russia, India and China), each of which is experiencing their own industrial revolution of sorts. Growth in these regions does not appear to be abating and we can therefore expect continued demand for our raw products.

The remainder of this year will likely be characterized by converging economic growth rates as the U.S slows toward a lower, but sustainable, growth rate while Europe and Japan catch up. Japan continues to expand economically for the first time in over fifteen years. The greatest headwind appears to be the growing concern that inflation will take hold in the U.S just as their economy slows potentially resulting in 'stagflation' which ravaged the equity markets in the 70's.

The bottom line, however, is that Canadian and overseas equities still offer the potential for average to above-average rates of return over the remainder of this year. Bonds look to remain under pressure and unattractive at present. Properly hedged, properly built and regularly groomed, your asset allocated portfolios did what they were constructed to do and were hardly affected by the correction. The regularly scheduled rebalancing of your portfolio, that we recently completed, also helped as it automatically took significant profits out of the market shortly before the peak.

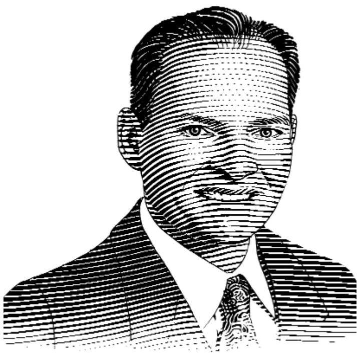
RPFL takes the lead:
Recently the Investment Executive newspaper released its 2006 Brokerage Report Card which ranks the twelve largest Canadian Investment Dealers on everything from consumer web sites, research and corporate ethics to wealth planning capability and firm stability. It was nice to see that Richardson Partners Financial Limited (RPFL) ranked first with a near perfect score of 9.7 - on a scale of 1 to 10 - with the bank owned firms lagging well behind scoring from 6.9 to 8.3. The Report also confirmed the fact that RPFL has attracted, on average per Partner, the largest and most successful clients of any Investment Dealer in the country, bar none.

Housekeeping:
Thank-you for your feedback thus far on this new monthly publication. Many asked about the drawings of the team members. These were done by the artist Martin Côté of Montreal who does the columnist portraits in the National and Financial Post. Each portrait takes Martin between four to six hours to complete and requires a carefully taken photograph of each subject for him to work from. More of his impressive work can be seen on the website www.lisemadore.com

Enclosed, you'll find a recent article from CFA Magazine featuring our own Mark Jasayko. Mark is well regarded in the investment community and is our Portfolio Analyst. Mark does much of the research that results in the individual security selections for your portfolios and both he and I work on the portfolio construction and overall asset allocation. He recently returned from the annual CFA conference held this year in Switzerland and also recently attended a risk management conference in Asia. He is a great credit to the McIver Wealth Management Consulting Group.

On the Mark

By Mark Jasayko



At the end of May, I was in Zurich for the annual CFA Institute Conference (Chartered Financial Analyst, or CFA, is a professional charter that I hold). Just as in the current financial press, a major part of the agenda was focused upon global geopolitics and how future developments may affect portfolio values. This is a sign that those who manage a significant portion world's financial assets are realizing that these issues have become too important to ignore.

The following is a summary of the conference discussions on these subjects:

1. Iranian Nuclear Standoff: There was some consensus that the United States will not allow a nation that voiced a desire to engage in pre-emptive war to achieve nuclear weapons capability but that the Iranian leadership understands the implications of testing the limits of US patience. The probable outcome is that there would be more bellicose rhetoric and then some resolution.

2. North Korean Nuclear Standoff: There is not much incentive for China to resolve the issue (China is key to a solution since it is North Korea's most important ally). North Korea is a good buffer for China in a region where Chinese-Japanese relations have been under stress. South Korea may also be content with the nuclearization of the North since reunification is a very real possibility sooner or later and a nuclear arsenal would present South Korea with a very interesting dowry.

3. Chinese Energy Security: China gets a much greater percentage of its oil imports from the Middle East than the US does. We know how sensitive the US is to a steady supply of oil from that region; imagine how much more concerned the Chinese must be. Additionally, most of the oil destined for China is sent by tanker through both the Straits of Malacca and the Taiwan Straits. There is speculation that a quiet Chinese military build-up is occurring in order to establish a naval presence in those areas.

4. Avian Flu: The initial concern would be with countries where casual human-to-human transmission first occurs. The economies of these countries could be devastated through the imposition of travel restrictions. For emerging countries, the lifeblood of economic health is the ability to engage in international trade and commerce. The areas that are most as risk include Indonesia, Malaysia, Vietnam, Cambodia, and Southern China.

In order to combat these risks with our Asset Allocation process, we have no allocation to emerging markets. In fact, we eliminated this exposure two years ago. Additionally, we continue to have exposure to gold through an allocation to gold producers. Gold's real asset character is essential in providing some downside protection in markets and currencies in reaction to any of these predicaments.

Sincerely Saleena

By Saleena Vellani

Many of you have inquired about using RESP's for your children or as gifts for your grandchildren. With the ever increasing cost of post secondary education, a Registered Education Savings Plan (RESP) is a special savings plan that can help you, your family, or your friends save for a child's post secondary education. An RESP is a government sponsored savings program specifically designed for education savings and is a tax advantaged way of accomplishing this.

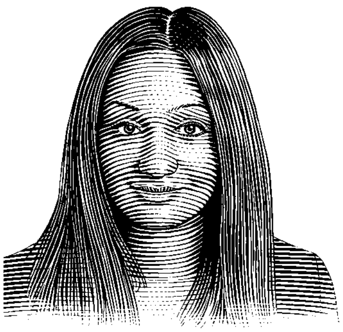
An RESP can be set-up by a parent, grandparent, other relative, or friend. For each beneficiary (child), the annual limit for contributions to RESP's is $4,000 and the lifetime limit is $42,000. The government matches contributions up to $2,000 per year with a 20% grant (maximum $400 annually).

Once an RESP has been established, you can start saving immediately for a child's education in the future. By starting early, tax-sheltered earnings in the RESP's on your savings can grow surprisingly quickly.

For more information on your specific situation, please call me directly.

Good Karma

By Karm Bhatti



Model Portfolios:
Each of your individually-tailored portfolios is based upon a model portfolio with a targeted level of volatility risk. The model portfolios that are developed exclusively within the McIver Wealth Management Group, are ranked from one to five, with five being the most aggressive. However, even Portfolio 5 is conservative by industry standards as it always has less than full exposure to the stock market with the inclusion of bonds, short-term interest products, and gold. The following is a breakdown of the annualized returns since last November:

Portfolio 1 - 10.586%
Portfolio 2 - 15.362%
Portfolio 3 - 17.122%
Portfolio 4 - 22.324%
Portfolio 5 - 20.168%

It is important to not that these results are for the underlying model portfolio and not for any specific client portfolio.

Preserve and Protect

By Tricia McIver

In one way or another we all contribute to the social capital of our country. Whether it's through payment of income taxes to the federal and provincial governments who then disburse monies for social programs (involuntary philanthropy) or charitable giving (voluntary philanthropy), either way, funding of the general welfare of the country is provided by you and I.

On May 2, 2006, the new Conservative Federal Government proposed to significantly increase the incentives for voluntary philanthropy by completely eliminating the capital gains tax on gifts of publicly listed securities to registered charities (this also applies for the donation of publicly listed securities acquired through employee stock options). The new proposals, when enacted, will apply to donations of publicly traded securities made on or after the federal budget day of May 2, 2006.

These new proposed changes provides us with tremendous tax planning opportunities ensuring you keep a greater portion of your wealth while still providing funds to groups and charities you support. It is truly a win-win situation for you and the charity.

The Benefit:
The new proposals effectively allow you to keep the benefit of the tax credit for the donation while eliminating the tax normally payable on the disposition (sale) of the publicly listed shares.

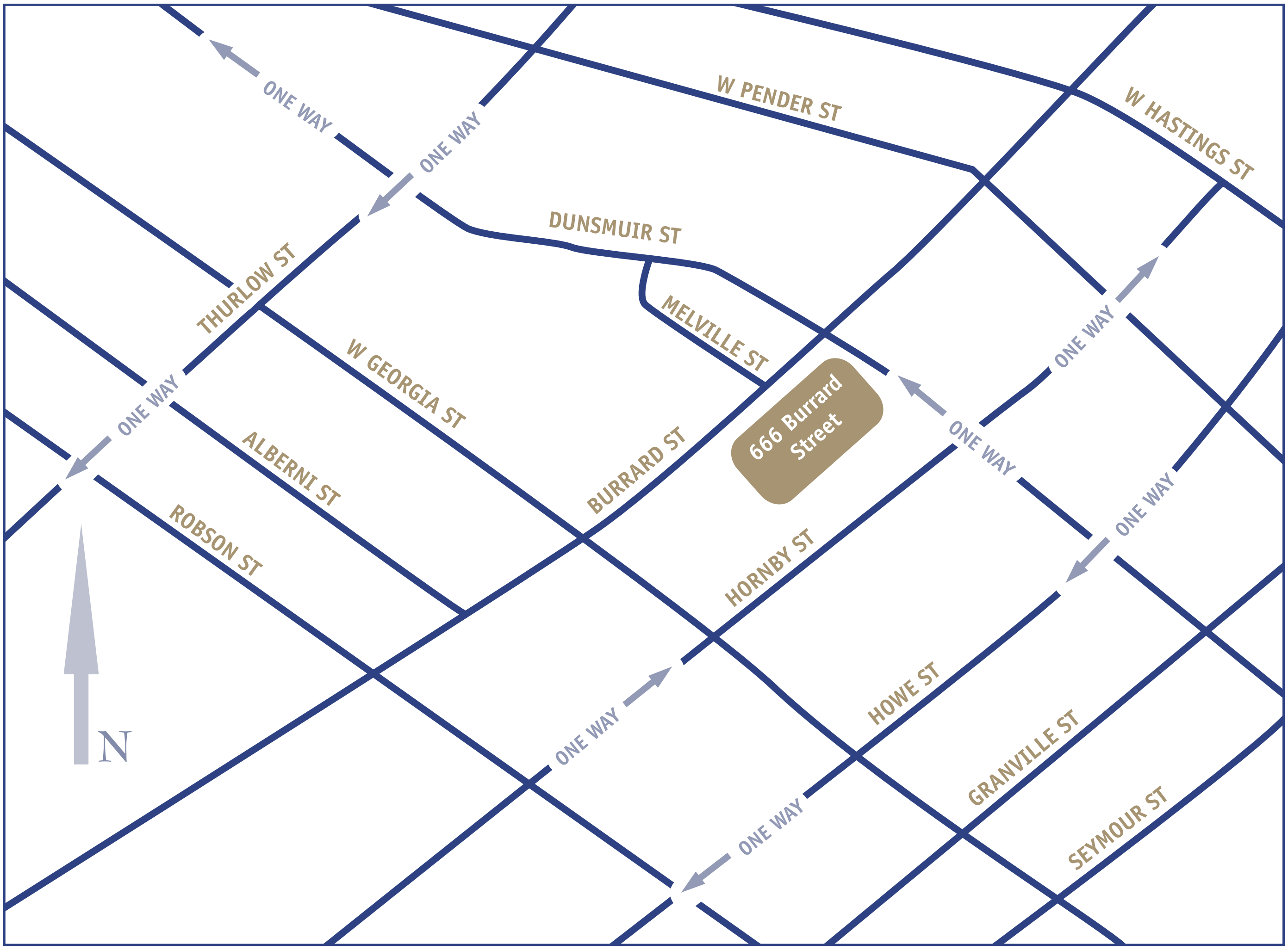
The following illustrates the financial impact of these proposals assuming a $10,000 donation of shares is made:

* $10,000 donation to public charity
* Cost base for publicly traded shares is ZERO
* You are in the Top marginal Tax rate in B.C.

	Method of Donation	
	Publicly Traded Shares- CURRENT RULES	Publicly Traded Shares- PROPOSED RULES
Value of Donation	10,000	10,000
Non-refundable tax credits:		
Federal	2,900	2,900
Provincial	1,470	1,470
	4,370	4,370
Reduction to capital gains tax (saving of tax)	1,093	2,186
Total tax assistance	5,463	6,556
Net cost of donation for donor	4,538	3,446

Please call or email me directly if you have any questions about how this opportunity might benefit you.

Visit Us in Person or Online!



RICHARDSON PARTNERS FINANCIAL LIMITED
Park Place ▪ 666 Burrard Street, Suite 1800 ▪ Vancouver, British Columbia ▪ V6C 2X8
Toll Free: 1 (866) 364-7735 ▪ Phone: (604) 678-6561 ▪ Fax: (604) 678-6640
www.mciverwealth.com

Neil R. McIver	Investment Advisor	(604) 678-6561	neil.mciver@rpfl.com
Mark Jasayko, MBA, CFA	Portfolio Analyst	(604) 678-6562	mark.jasayko@rpfl.com
Karm Bhatti	Associate Assistant	(604) 678-6563	karm.bhatti@rpfl.com
Saleena Vellani, BA	Associate Assistant	(604) 678-6564	saleena.vellani@rpfl.com
Tricia McIver, CA, CFP, TEP	Tax & Estate Planning Consultant	(604) 678-6565	tricia.mciver@rpfl.com