

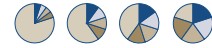
HIGH NET WORTH JOURNAL

An Investment Update



**RICHARDSON PARTNERS
FINANCIAL LIMITED**
FAMILY WEALTH MANAGEMENT

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MCIVER WEALTH MANAGEMENT
CONSULTING GROUP

What's News

By Neil McIver



Silver & Gold:

Weakness in the U.S. dollar continues to benefit our Asset-Allocated portfolios as it puts upward pressure on gold. We have been building gold positions for the past few years as gold has risen from \$420/oz to the current \$646/oz. A number of factors are behind the move in gold and the technical (charting) picture continues to look positive. Many analysts are looking to see gold rise another \$100 to the \$750/oz range.

The best way to leverage this move, mathematically, is to own shares of gold producers rather than the metal itself. Gold provides a nice hedge against a number of economic fears such as a U.S. recession or a major terrorist attack.

Similarly, silver and non-precious metals such as nickel and copper look very favourable on a supply/demand basis. High quality mining companies such as Inmet are trading at less than 6 times earnings (very inexpensive) yet have appreciated more than 100% in six months. Like many companies in this business, Inmet is also cash rich carrying more than \$11 a share in cash. While all commodity based companies are cyclical (and often look cheap at the top) there are a number of variables indicating that we are still not near the top. I suspect there will be further mergers and acquisitions in metals and mining area with all this cash about.

Oil producers still look strong and with oil recovering back above \$60/barrel, they remain attractive. Many are throwing off lots of cash and would remain extremely profitable even if oil fell to \$45/barrel. With the income trust tax change it will be an interesting time as oil and gas royalty trusts react to this new reality. Some may buy tax pools to shelter their income from CRA, others may convert to conventional corporations, and others will be looking to buy competitors, or conversely, to sell out to a competitor. As with the mining business, I expect we'll see a number of mergers and takeovers.

In both instances we'll be applying our usual due diligence - looking carefully for the best positions to own in these areas.

Cash Rich:

You may notice a build up of cash in your accounts over the past number of months. This has been intentional. It's been a very profitable year yet we need to exercise caution going forward. Keep in mind that cash pays almost as much as bonds do at present and interest rates have nicely moved up on cash and cash vehicles. Some of this cash may not be fully deployed into the portfolio until we complete our annual rebalancing in the spring.

A Good Year:

Overall it's been a very healthy year for your portfolios. We've had rates of return well above our projected long term averages while still maintaining our characteristically low volatility and low risk profile. I expect this will continue through the first quarter of next year. At the end of the first quarter, we will be taking profits and rebalancing your portfolio while slightly changing the percentages of each asset class held.

As we close 2006, I want to thank you for your loyalty and your trust. We've had a great year here, improving our professional competency with the addition of Tricia McIver, CA, CFP, TEP and Saleena Vellani, BA. In addition, we made significant improvements to our monthly letter to you and in our weekly market email.

I look forward to 2007 and providing further improvements to your client experience. A few of these will be announced early in the New Year.

Merry Christmas:

Have a very Merry Christmas, Happy Hanukkah and all the best to you and your loved ones in the New Year.

On the Mark

By Mark Jasayko



U.S. Dollar Dog Days:

The U.S.\$ has declined significantly since the beginning of the year and especially over the last few weeks. This has not been widely reported in the mainstream press here in Canada since the fall in the U.S. dollar has been against the major world currencies and not against the C\$ in particular.

Pressure was building against the U.S. dollar to the point where currency traders felt that it was time to sell. This pressure was coming from a number of sources including the U.S. trade balance, a high percentage of foreign ownership of U.S. investment securities, a slowing U.S. economy, and some persistent U.S. inflation at a level that is higher than analysts have been accustomed to over the last decade.

The U.S. trade balance is a problem as U.S. consumers have a strong preference for imported goods, whether those are luxury items or goods that can be produced at a lower cost offshore. This has resulted in a trade balance deficit and hurts the U.S. DOLLAR since foreign goods must be paid with foreign currencies, thereby driving up the demand for those foreign currencies at the expense of the U.S. dollar.

A high level of foreign ownership of U.S. investment securities is a problem for the U.S. dollar since these investors are at risk of getting nervous with respect to the direction of government finances in the U.S. If they liquidate, they repatriate their capital back to their home currencies and sell dollars in the process.

A slowing U.S. economy is a problem for the U.S. dollar since there will be fewer growth prospects for U.S. companies and lower future profits. This will lead to more investors selling U.S. investments and taking money overseas. Again, selling their U.S. dollar in order to buy foreign currencies in order to make foreign investments.

Finally, higher energy prices have created some inflation which is bad for the U.S. dollar because it directly erodes its purchasing power. It also decreases the value of U.S. investments held by foreign investors. This will be enough to scare away significant amounts of investment capital from the U.S. investment markets.

In our Asset Allocated portfolios, we do have some U.S. exposure that will be vulnerable to a sell off in the U.S. dollar. However, our weighting to the U.S. market is not historically high at the current time. In order to offset this risk, we have substantial weightings in gold-producing companies as well as international stocks. Gold and gold-producing companies are probably the best hedge against a declining U.S. dollar since gold is denominated in U.S. dollar. If the U.S. dollar devalues, the price of gold must immediately rise since it will require more devalued dollars to buy the same ounce of gold. In addition, holdings of international stocks will provide some protection since it is the home currencies of these companies that are strengthening, increasing their value in U.S. dollar terms.

Sincerely Saleena

By Saleena Vellani



Registered Retirement Savings Plan:

As we head into a new year, many investors who have not been making ongoing monthly contributions to their Registered Retirement Savings Plan, should prepare to contribute now. To make a tax deductible contribution, the contribution must be made within 60 days after December 31st. This means, contributions to be deducted against 2006 income has to be made by March 1, 2007.

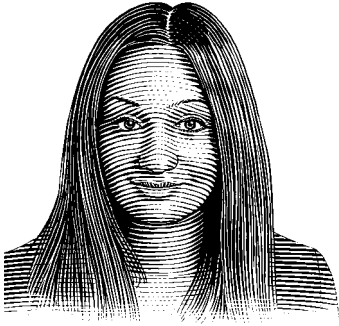
The contribution limit for registered plans was increased in the 2006 Federal Budget to \$18,000, which is reached in your first \$100,000 of reportable income. This limit can be reduced by contributions to Individual Pension Plans and Pension Plans.

Your deduction limit, including unused limit room from past years, can be found on your *Notice of Assessment*, which was returned by CRA with your most recent tax return. If you don't have this, the information is available through the automated Tax Information Phone Services at 1-800-267-6999. Please note that you will need your Social Insurance Number and the total income reported on line 150 of your most recent tax return.

I hope you all have a very Merry Christmas and a very happy New Year. All the best to you and your families for 2007!

Good Karma

By Karm Bhatti



Portfolio Management- Income Trusts:

As you are aware, pending changes to the future taxation of income trust, caused a change of outlook for these securities. While there will be some normal ongoing volatility, the majority of the reactive market movement on income trusts has already taken place and many have now recovered to a degree. After carefully

reviewing our recommended trusts there are four individual positions which we will be replacing. The securities are as follows:

Sell

- Yellow Pages Income Fund
- Medical Facilities Corp
- Canadian Helicopters Income Fund
- Boardwalk Real Estate Income Trust

Neil or Mark will be contacting you shortly to make these recommended trades. Please note, the Asset Allocated portfolios were properly structured to deal with an event such as this and little damage was done.

Preserve and Protect

By Tricia McIver



Flow-Through Investing- Minimizing Your Cost of Giving:

The cost of giving got less expensive when the Conservative Government, in its 2006 budget, eliminated capital gains tax on the gifting of publicly traded securities. When combined with the tax benefits of investing in flow

through shares, the cost of giving can be significantly reduced, and in some cases eliminated. How is this possible? Please read on.

Flow through shares are securities that are unique to the energy and mining sectors. They are issued by companies operating in these sectors to raise capital for funding exploration and development expenditures. The flow through nature of the security allows the issuing company to pass on, or flow through, to you the investor exploration and development expenses up to the amount paid by you for the share. You may then claim the flowed through amount as a tax deduction. The flowed through amounts are allocated over 2 or 3 tax years, with the largest amount typically allocated in the first year. The result is a tax saving for you.

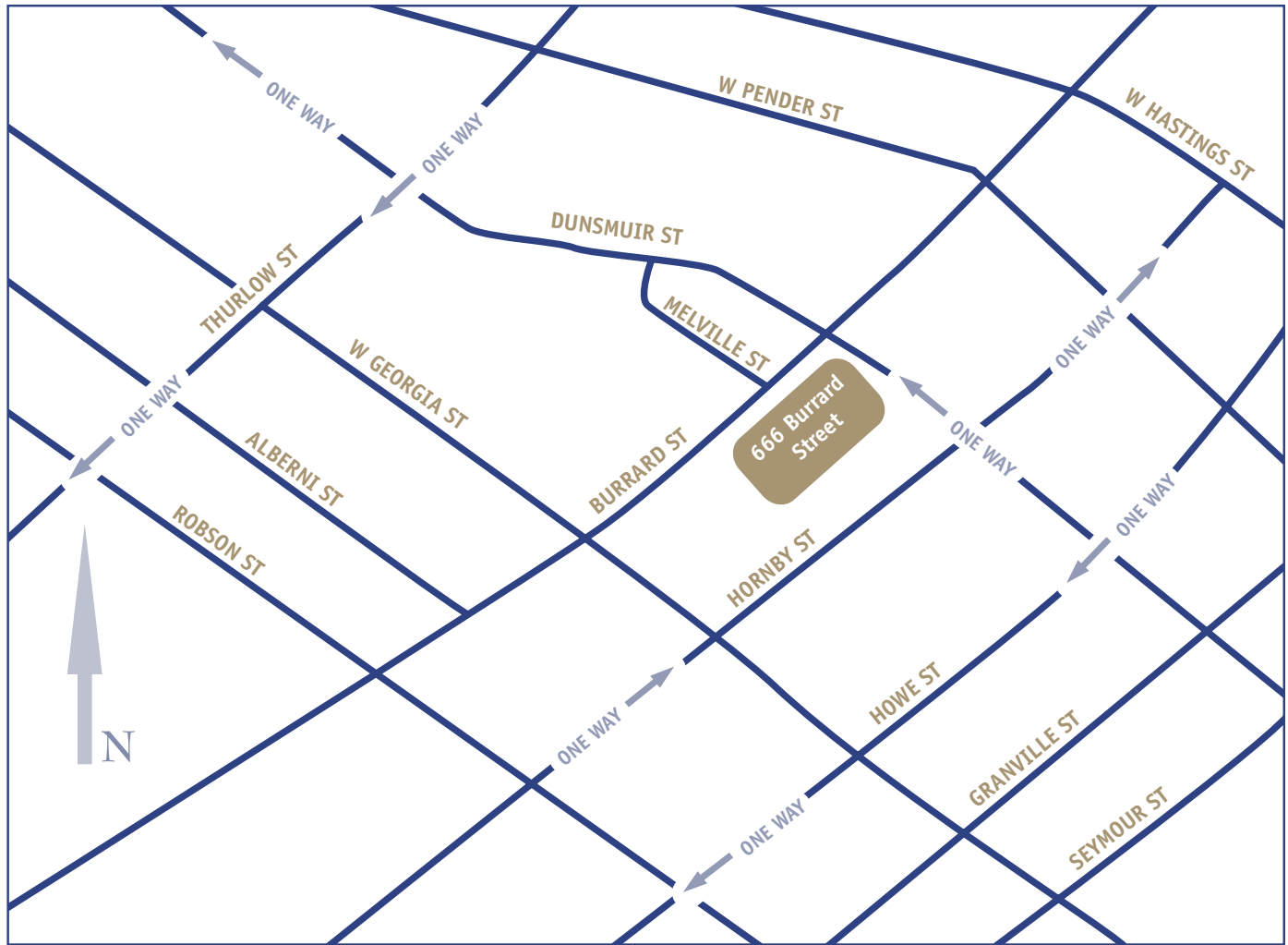
Because flow through shares provide a tax deduction up to the amount paid for the shares, these shares typically have a zero cost base. When the shares are sold a capital gain will be realized equal to the sale price. But if you were to gift the shares to a registered charity, this capital gain has now been eliminated, and you receive a donation tax credit equal to the value of the shares at the time of gifting.

Consider the following:

Estimated After-tax Cost of Charitable Donation				
		Investment declines 30%	Investment remains flat	Investment increases 30%
Initial investment		100,000	100,000	100,000
Impact of flow through share investment:				
Tax benefit of deduction (43.7% of initial investment)		43,700	43,700	43,700
Impact of charitable donation:				
Tax benefit of charitable donation (see below)		30,590	43,700	56,810
Total tax benefits		74,290	87,400	100,510
After tax cost of donation		25,710	12,600	(510)
Tax Benefit of charitable donation:				
Value, at donation date		70,000	100,000	130,000
Adjusted cost base of shares		-	-	-
Capital gains tax on donation		-	-	-
Donation tax credit (43.7% of Value)		30,590	43,700	56,810
Assumptions				
Based on B.C.'s top marginal tax rate of 43.7%				
Donation tax credit rate for B.C. is 43.7%				

Flow through shares have their own tax advantages, but when combined with philanthropy, can yield tremendous tax savings. Should you have any questions on flow though shares and or charitable giving, please do not hesitate to contact me.

Visit Us in Person or Online!



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