



[Completing Your 2018 Income Tax Return – Checklist](#)

As the April 30 tax deadline approaches, attached are some reminders to help ensure you're prepared to file your personal income tax return, and that you maximize your tax savings. It's important that you have all required tax documents before you prepare your return, otherwise you may be required to file an amendment.

[Portfolio Strategy](#)

The downward trend in interest rates has received a large amount of attention from market participants of late. More specifically, it seems every expert and pundit is talking about the recent 10-year – 3-month U.S. yield curve inversion (this means that long term rates are lower than short term rates, a relatively rare occurrence) . While this can be an important market signal for economic recessions, we note that 1) the 10-year – 3-month curve was only inverted for a few days; 2) the ever important 10-year – 2-year curve didn't invert; 3) negative rates in many other parts of the world (over a quarter of the global bond market has negative rates currently) are leading to lower North American rates; 4) a flat to negative yield curve did not result in a recession in the mid-1960s, mid 80s or mid 90s; and, 5) on the several occasions where this was a valid signal, recessions tended to follow 12-24 months later which means that the stock market typically rose for the next few quarters even after the inversion.

We continue to believe that there are many positives for equity investors. First of all, BMO Nesbitt Burns research shows a low probability of recession in the next year. Also noteworthy is that corporate profitability and cash flow generation remain very strong, economic momentum is improving in China (good for commodity prices) and the U.S., and that stocks are still relatively attractively valued, especially relative to bonds. Finally, it is important to note that lower interest rates is generally a positive for the economy and stock market since this lowers the cost of financing for corporations and consumers and increases the present value of future corporate cash

flows.

During March we identified Boeing Company as a buying opportunity on weakness and increased allocations to a number of existing positions in the portfolio. With these purchases, our equity exposure is now in line with a neutral weighting. We will continue to be strategic as we search for further opportunities moving forward.

In the fixed income portion of our portfolios, we have not made any recent changes and continue to hold a diversified list of preferred shares which have performed well in the volatile interest rate market.

As always, if you have any questions, please do not hesitate to contact us.

Please note: We cannot take trading instructions via email or voice mail, please contact your Investment Advisor directly.

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As the April 30 tax deadline approaches, below are some reminders to help ensure you're prepared to file your personal income tax return, and that you maximize your tax savings. It's important that you have all required tax documents before you prepare your return, otherwise you will be required to file an amendment. In addition, you may want to have your 2017 tax return and Canada Revenue Agency (and, if applicable, Revenu Québec) Notice of Assessment handy in case you need to refer to tax information from the previous year.

Tax Receipts

All Individuals

- Salaried Income (T4/R1)
- Investment Income (T5/R3)
- Trust and Mutual Fund Income (T3/R16)
- Limited Partnership Income (T5013/R15)
- Trading Summary / Realized Gain/Loss Report
- RRSP Contribution Receipts – For contributions made during the 2018 calendar year, and during the first 60 days of 2019.
- RRSP Withdrawals (T4RSP/R2)
- RESP Withdrawal Receipts (T4A/R1)
- Foreign Securities Report
- Interest Expenses and Carrying Charges – Including Fee Letter(s) for any applicable management fees relating to fees for non-registered advice account(s).
- Charitable Donations – You can combine your charitable donations with your spouse (or common-law partner) and claim on one income tax return for maximum tax savings.
- Political Contributions
- Moving Expenses
- Medical Expenses
- Tuition Expenses (Form T2202A / R8)
- Child Care Expenses
- Home Office Expenses
- Employment-related Expenses (including Form T2200 / TP-64.3)

Tax Receipts

Retirees

- Registered Retirement Income Fund, Locked-in Retirement Income Fund, or Prescribed Retirement Income Fund Withdrawals (T4RIF/R2)
- Old Age Security & Canadian Pension Plan Benefits (T4A-OAS, T4A-P, R2)
- Other Pension/Annuity Income (T4A, R2)

Helpful Reminders and Tips

Individuals

If you realize capital losses in the same taxation year that a significant capital gain is triggered, the tax liability on the capital gain can be reduced. Also, any net capital losses can be carried forward indefinitely or carried back to offset net capital gains reported in the three previous taxation years.

Remember to report the sale of your principal residence, if applicable.

Business Owners

Incorporated small business owners can use their lifetime Capital Gains Deduction to shelter up to \$866,912 of capital gains on the sale of shares of a qualifying small business corporation.

The Capital Gains Deduction can only be claimed on an actual sale (or deemed disposition) of qualifying shares.

Retirees

Consider pension income-splitting to strategically lower family taxes by taking advantage of your spouse/common law partner's lower marginal tax rate. Canadian residents receiving eligible pension income can transfer up to 50 per cent of this income to their spouse or common-law partner.

A T1032 – Joint Election to Split Pension Income form (or Schedule Q for Quebec taxpayers) must be completed.

For more information on this topic, ask your BMO financial professional for a copy of the article, "Pension income-splitting provides tax planning opportunities for couples."



Please note that this checklist is not a comprehensive review of the subject matter, and it's important to consult a professional tax advisor for assistance in your particular situation.



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