

The Income ADVISOR

the *strategic* ADVANTAGE PROCESS®
A monthly investment bulletin prepared by Robin Kingsmill
and The Kingsmill Saar Wealth Management Group

January 2014



Are you still looking for income producing and smart investments? ... amid all that common thought that Preferred Shares have lost their lustre?

We are told that their time in the sun has passed. Preferred Shares are unpopular. Preferred shares are unloved, right now. Hmmm.

Call me a contrarian. Call me many things but do call me to talk about the fact that there are still some very good deals out there, in spite of that 'common thought' suggesting that if and when interest rates do rise, many preferred shares will not be able to compete ...so they trade at low current values.

Call me because it is wise to look beyond the common thought. Key questions are:

- Might that lower purchase price be put *to work for your advantage*?
- Does that low selling price make the *yield* high enough to override the 'common thought'?
- Does the preferred share's cash flow trump the current value or its purchase price?
- Will the additional *tax benefits* be of value?
- Would a move today provide you greater cash flow which, accumulated over time, would pay you more, anyway?

I heard that! "Oh yes! The cash flow!" Did you forget to add that in? People so often do.

Sometimes it is better to take a small step back to appreciate a leap forward when it comes. This is still within the range of securities we would suggest you consider. Have we got your attention? You may wish to take a peek at a few scenarios on page 2.

This is what we are here for! We look for deals that will secure your required cash flow and play a smart role in your portfolio, not just sit there ...because we take the time to *know* your specific investment strategies. And we dig deep to find good deals beyond that which common thought may miss.

Call us. There are deals to be had.

Robin Kingsmill, B.Sc.
Sr. Vice President
Associate Portfolio Mgr.
Investment Advisor
(905) 897-5212

Joanna Saar
Wealth Advisor &
Financial Planner
(905) 897-1347

Susan Taptelis, B.A.
Associate Investment
Advisor
(905) 897-5227

Teresa Wilejto
Administrative Assistant
(905) 897-1204

BMO Nesbitt Burns • Ste 1400 • 50 Burnhamthorpe Road West • Mississauga, Ontario • L5B 3C2

www.kingsmillteam.com

Own Your
Future

Member-Canadian Investor Protection Fund

BMO  Nesbitt Burns®

A couple of scenarios:
Here's some food for thought:

Scenario 1

Sell Preferred A at \$21.25 pays \$1.135/year Buy Preferred B at \$20.50 pays \$1.225/year
Result? You take a step back.

You can purchase more securities at a lower price for a good yield until called at the predicted \$25 giving you more capital gain ON TOP OF the yield of \$122.50 per share over 10 years

Scenario 2

Sell Preferred A at \$24.70 pays \$1.225/year Buy Preferred B at \$20.50 pays \$1.225/year
Result? You take a step back.

You can purchase more securities for the same yield (times more shares) until called at the predicted \$25 giving you more capital gain ON TOP OF the yield of \$122.50 per share over 10 years

OK. We do know it is complicated. But if it were easy, anybody could do it!
Call us. We will chat.

We are the Kingsmill Saar Wealth Management Group, undistracted in the pursuit of that extraordinary focus: Your Financial Goals.
For immediate attention and more details, contact us at:

Robin Kingsmill, B.Sc.	Joanna Saar	Susan Taptelis, B.A.	Teresa Wilejto
Sr. Vice President	Wealth Advisor &	Associate Investment	Administrative Assistant
Associate Portfolio Mgr.	Financial Planner	Advisor	(905) 897-1204
Investment Advisor	(905) 897-1347	(905) 897-5227	
(905) 897-5212			

BMO Nesbitt Burns • Ste 1400 • 50 Burnhamthorpe Road West • Mississauga, Ontario • L5B 3C2

www.kingsmillteam.com

* Based on Ontario top tax bracket. Yields are as of January 14, 2014 and are subject to change and availability. Securities noted are available for sale on any business day.
Version 1.2, 3/4/11. BMO Capital Markets has undertaken an underwriting liability with respect to this issuer within the past 12 months. 2. BMO Capital Markets has provided investment banking services with respect to this issuer within the past 12 months. 3. BMO Capital Markets has managed or co-managed a public offering of securities with respect to this issuer within the past 12 months. 4. BMO Capital Markets or an affiliate has received compensation for investment banking services from this issuer within the past 12 months. 5. BMO Capital Markets or an affiliate received compensation for products or services other than investment banking services within the past 12 months. 6. This issuer is a client (or was a client) of BMO NB, BMO Capital Markets Corp., BMO CM Ltd. or an affiliate within the past 12 months. 7. Investment Banking Services, Non-Investment Securities Related Services & Non-Securities Related Services: BMO Capital Markets or an affiliate has a financial interest in 1% or more of any class of the equity securities of this issuer. Disclosure 19: Securities legislation in certain Canadian provinces prohibits registrants from recommending, or cooperating with any other person in recommending, in any circular, pamphlet or similar publication that is distributed with reasonable regularity in the ordinary course of its business, that securities of the registrant or a related issuer, or in the case of a distribution, that securities of a connected issuer, be purchased, sold or held unless such publication contains a statement of the relationship or connection between the registrant and the issuer. BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltd./Ltd. are subsidiaries of BMO Nesbitt Burns Corporation Limited. Bank of Montreal, through a subsidiary, owns all of the voting and participating securities of BMO Nesbitt Burns Corporation Limited. Accordingly, Bank of Montreal is a related and connected issuer of BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltd./Ltd. TO U.S. RESIDENTS: This publication, to the extent it refers to Bank of Montreal securities, has not been approved or distributed by BMO Capital Markets Corp. or BMO Nesbitt Burns Securities Ltd., affiliates of BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltd./Ltd. It is intended for distribution in the U.S. by BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltd./Ltd. only to Major U.S. Institutional Investors (as defined in SEC Rule 15c-6 under the Securities Exchange Act of 1934, as amended). ® "BMO (M-bar rounded symbol)" is a registered trademark of Bank of Montreal, used under licence. ® "Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Corporation Limited, used under licence. BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltd. are indirect subsidiaries of Bank of Montreal. BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltd. provide this commentary to clients for informational purposes only. The information contained herein is based on sources that we believe to be reliable, but is not guaranteed by us, may be incomplete or may change without notice. The comments included in this document are general in nature, and professional advice regarding an individual's particular position should be obtained. BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltd. are indirect subsidiaries of Bank of Montreal and Member-Canadian Investor Protection Fund. "BMO (M-bar Rounded symbol)" is a registered trademark of Bank of Montreal, used under licence. "Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Corporation Limited, used under licence.

Own Your Future

Member-Canadian Investor Protection Fund

BMO  **Nesbitt Burns®**