

Intellectual Property

VOLUME 9 - FALL 2013

THIS MILLENNIUM, OVER \$50 MILLION RETURNED TO OUR INVESTORS!

A lot can happen over the course of a millennium. Since the year 2000, we already have seen many changes. The events of 9/11 led to the stock market crash of 2002, the asset-backed commercial paper market sparked the recession in 2008, the Arab spring rose up and oil prices followed, the financial crisis in the Eurozone dragged on

while quantitative easing continues in the United States.

Yet throughout these tumultuous times, Millennium III has paid out **\$50,125,952.00** to our investors! With all the uncertainty in the world, we are proud to have provided returns like these.

INCOME SPLITTING AND INTERGENERATIONAL TRANSFER OF WEALTH



Real estate limited partnerships have excellent tax saving and growth characteristics, but many Canadians do not consider them appropriate for investment portfolios because of their perceived long-term nature. The Canadian Government, however, does not impose an inheritance tax on an estate upon the demise of a taxpayer. Unless there is a surviving spouse named as a beneficiary, depreciable assets, including real estate, are deemed to be disposed of at Fair Market Value (FMV) at the date of death. Income tax, then, has to be paid on recapture of capital cost allowance (CCA) and any capital gains accrued on these assets. RRSPs, as well, as a general rule, are subject to income tax at **full marginal rates** upon the demise of the last surviving spouse in a marriage. This recovers for the taxman all of the taxes you saved when you invested in the RRSP. As well, any increase in the value

of your RRSP over the years is taxed at the **full amount of the gain** as opposed to 50% of the capital gain if you had invested your money outside of an RRSP. **This means that, if you have all of your investments in RRSPs, almost half of your life's savings go back to the government to pay things like senators' pensions!**

RRSPs are subject to income tax at full marginal rates

To save your estate from being plundered by CRA, as described above, it is important that you consider an investment program that avoids much of this pain. Our real estate lim-

Our Latest Offering

Fort Road Centre is our latest retail commercial real estate syndication.



Located on the newly redeveloped main artery of Fort Road in the Belvedere neighbourhood of northeast Edmonton, Fort Road Centre provides a mix of retail and professional services to the area.

For more information, please contact your Exempt Market Dealer, or the Millennium III Group of Companies.

ited partnerships are specifically designed, among other things, to help mitigate this officially sanctioned confiscation.

When you purchase one of our limited partnership units, you receive full write-offs that significantly reduce its Adjusted Cost Base (ACB). This reduction continues from write-offs received in the first four to five years of your investment. After four or five years with our investments, the FMV and ACB are usually about equal and the unit can be transferred with no or very little capital gain to be taxed.

At this point, the unit can be transferred to a lower income spouse so that he or she can receive the ever-increasing income payments from the investment and pay less tax there-

Intergenerational - cont'd

on. To get to the next generation, you can transfer your unit to your children, or a trust set up for them, with very minimal tax consequences. Plus, upon your demise, there is no further disposition of your units and the children can retain them indefinitely with no capital gains tax until disposal. If the units are held in a family trust, they would be allowed a 21-year deferral before capital gains tax would be assessed. Another advantage of the trust is that, if it is appropriately structured, you can continue to receive the income from the units in it as long as you need it while your children

beneficially own the units, which are ever increasing in value.

By building up a portfolio of our limited partnership units, you benefit from a significant initial tax break, a growing stream of income and increases in value and the ability to pass these benefits on to your spouse or heirs with minimal tax consequences over a long-term basis.

Listed beside this article are partnerships that are at optimum valuation for transfer. Please feel free to contact us if you have any questions.

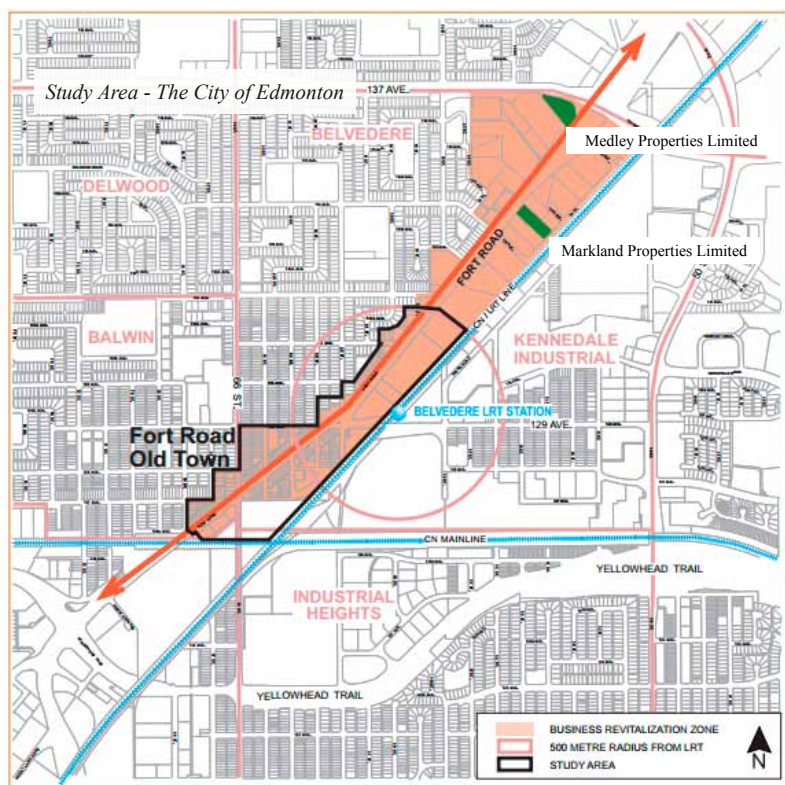
Now is the Time.

Limited Partnership units in the following partnerships are at optimum valuation for transfer:

Montagu Properties L.P.
Medley Properties L.P.
Dorrill Properties L.P.

In future fall editions of this newsletter, we will apprise you of limited partnerships that are at this point in the investment cycle.

The Future of Fort Road



The northeast corner of Edmonton, particularly the area surrounding Fort Road, has undergone significant changes for the better. What was once primarily an industrial zone is slowly but surely becoming a neighbourhood many residents are proud to call home. The implementation of the Fort Road revitalization project in conjunction with the Station Pointe developments and Edmonton's Light Rail Transit (LRT) system, will create a vibrant, family-oriented community in the area.

The long-term vision for Fort Road itself has

included the widening of the existing roadway, relocating power lines, removal of older commercial buildings, new sidewalks, new light standards, new streetscape elements, as well as new residential and commercial developments. Many of the new elements are designed with an environmentally friendly or "green" mindset, while catering to an increasing amount of foot traffic from residents and visitors to the area.

The first two residential developments proposed are Station Pointe Greens and Station Pointe Village, providing 219 and 376 individual units respectively. The many new residents to the Fort Road area will benefit by having direct access to Edmonton's LRT network. The continuing expansion of the LRT will connect Station Pointe to all corners of the city, providing a fast, efficient way to travel to work, school, sports games and more. Environmental awareness coupled with cost efficiency is at the forefront in both developments through the use of passive energy design. Both the Greens and Village will be very well insulated and primarily heated by passive "free" solar energy.

The city of Edmonton, as well as the Millennium III Group of Companies, makes decisions based on the long-term prospects of a particular location. Performing a revitalization of this magnitude is a huge vote of confidence in the future of the Fort Road region. We're thrilled to have investment interests in this dynamic area of Edmonton and look forward to seeing the growth that the future has in store.



To receive future editions of this newsletter electronically, please advise us via email at dawnh@millennium3.ca