In this issue: Market update, numbers, how we see it, mandate of the month, new Canadian securities regs, NAFTA, Canadian banks release earnings, **tax case study.**
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What happened?

Even with the geopolitical stimulus of North Korea firing a test rocket over Japanese territory, and with waning hopes that a tax plan is finally coming together, US equities received a boost. In Canada, higher commodity prices and better-than-feared earnings results led by RY sent a sign of relief to bank stocks, which allowed the S&P/TSX to reclaim the 15,000 mark- TD and NA in particular posting 4.6% and 2.3% respectively. Otherwise, market cracks widened once again, with US small caps, transportation and financial stocks further underperforming market benchmarks. Also, credit and CDS spreads have begun to expand, reflecting credit investors' nervousness. US debt-ceiling uncertainties are also weighing on stocks.
The world economy is expected to expand by 3.5% in 2017 and by 3.6% in 2018 compared with an average of 3.2% growth over the prior five years (from 2012 till 2016). In addition, compared with the previous period of synchronized global growth, the overall growth rate for the world economy is significantly lower. Specifically, the previous period of synchronized global economic growth from 2004 till 2007 saw the global economy expand on average by 5.2%.

CAN Equity	YE 2016	Wk-end	Chg this mnth	Chg in 2017
S&P/TSX Comp	15288	15212	0.40%	-0.50%
S&P Total Return	49501	50167	0.70%	1.30%
S&P TSX 60	900	893	-1..40%	-0.80%
US Equity				
S&P 500	2239	2472	0.10%	10.40%
S&P Total Return	4279	4789	0.30%	11.90%
Nasdaq	5383	6429	1.30%	19.40%
International Equity				
MSCI World	1364	1480	-0.10%	8.50%
MSCI EAFE	1684	1931	-0.30%	14.70%
MSCI Emerg. Mkts.	47651	57625	1.90%	20.90%
FTSE 100	7143	7431	0.80%	4.00%
DAX 30	11481	12056	-0.50%	5.00%
Commodities				
Gold	1157	1316	3.70%	13.7%
Oil	$53.75	$47.26	-5.9%	-12.1%

What to do? We stick with a global mandate

Take a look at the numbers- after a booming 2016 and early 2017, we are seeing the need for global market diversity as Canadian's who have relied on our home market for a boost are not seeing the expected gains coming off a hot 2016. Gold has crested the psychological barrier of $1,300, the S&P/TSX is down YTD and it further entrenches our belief in diversifying asset classes and markets rather than sticking with "normality" and staying local.

Discover how to use sector ETFs to balance your portfolio to a global perspective. To read further click here:

Mandate of the Month: Canaccord Global ETF Portfolios

With today's more complex and globally interconnected markets, many investors put their trust in professional portfolio management to build and protect wealth. The CC ETF Portfolios are driven by a **dynamic allocation process.** The portfolios focus investment exposure in areas of market strength and reduce capital in areas of relative weakness. The PM team aims to generate excess return and control risk by under and overweighting asset classes, countries and currencies in the portfolio by selecting best-in-class ETFs for each investment exposure (i.e. combining a top down and bottom up view). The team draws on a **database of more than 3,500 ETFs**, examining characteristics such as size, style, sector, liquidity, cost and overall quality. The portfolios are rebalanced on a discretionary basis pending on market conditions. All ETFs in the Complete Canaccord ETF Portfolios are rigorously analyzed to provide value-added investment returns through various economic and market conditions. E-mail Steve or Drew for more details, or click here to see the note.

Mandate	Risk Profile	YTD	1 Yr	3 Yrs	5 Yrs	Std Dev	Beta	Upside Capture	Downside Capture
CC ETF Conservative	60% Income 40% Mod Growth	2.04%	2.95%	5.19%	6.27%	4.66%	1.04	99.09%	94.47%
CC ETF Balanced	50% Income 50% Mod Growth	2.51%	4.10%	5.76%	7.19%	5.32%	1.01	96.75%	93.33%
CC Enhanced Income	40% Income 60% Mod Growth	2.93%	5.05%	6.81%	N/A	6.02%	0.98	91.90%	94.92%
CC ETF Growth	35% Income 65% Mod Growth	3.18%	6.16%	7.49%	9.18%	6.54%	1.02	98.21%	95.75%
CC ETF U.S. Growth*	35% Income 65% Mod Growth	-		-	-		-	-	-
CC ETF Capital Appreciation	20% Income 80% Mod Growth	3.82%	7.86%	7.87%	9.78%	7.29%	0.94	90.94%	92.37%

New regulations? Canada reconciles to a T+2 cycle.

For all the hoopla being created south of the 49th parallel regarding deregulation, Canada is the one who acts first. While not completely ground breaking, but more stepping into line with global norms- we have moved into a 2 day settlement cycle for our market trades to align with the T+2 cycle accepted globally. Click here to see Canaccord's note.

NAFTA: Talks continue

The North American Free Trade Agreement is top of the list- if President Trump doesn't splash the news cycle. We like this regarding the faces and names that are going to the bargaining table to fight for Canada's place in the new North American landscape:
http://www.ashcroftcachecreekjournal.com/news/the-trump-unit-canadas-squad-to-save-nafta/

Banks release earnings:

By now you will have read most about bank earnings. All 6 Major's came in above market expectations and as a result provided some much needed support to the TSX. As a reminder to readers, you can call or email if you would like to discuss our proprietary research notes.

Prior to earnings: "Entering Q3/17 season, we are generally comfortable with Canadian bank earnings. From the Big-6, we are modestly below consensus on BNS and RY, in line with TD, and slightly above on CM, NA, and BMO." For the full note please contact us directly.

You met Michael Bellamy CFP: now what can he do for you?

Financial Planning is a tool that everyone needs to be using in their investment strategy. If you aren't planning with a complete overview with your manager, you are leaving your strategies to chance. Good ideas to grow your portfolio are always available, but adjusting risk and knowing your situation in all situations: retirement, home and business purchases/sales, children coming in to the world or sent to University, helping them buy a house/business all play a part. According to the Financial Planning Standards Council (FPSC), 81% of Canadians with comprehensive financial plans feel on track with their affairs versus 73% with limited and 44% with no planning. Click here for an introduction to Mike and take a look below for an example of how he makes a difference for clients.

How would you like tax-free pension income? Or to eliminate the estate tax?

Recently we have assisted a number of clients with some really exciting strategies. And by the way, all of these strategies ***de-tax*** and ***de-risk*** your investment portfolio.

Case Study: Tax effective pension income

Client (age 45) was looking for an investment which would provide income throughout his retirement. He owns a very profitable business and having a good investment portfolio, will retire comfortably but in a high tax bracket.
In his case, and these are just his numbers, we were able to reposition $50,000 a year for 10 years into a pension vehicle that:

- Would pay $30,000 a year ***tax-free*** for 13 years during retirement , from age 71-83 and pay his beneficiary $500,000 (his original investment) tax-free at life expectancy.

Case Study: Releasing "Trapped" Corporate Surplus

We worked with several business owners, doctors & lawyers to implement a strategy that would save them 30% to 50% on money withdrawn from their holding company. On $2 million that's a saving of $600,000 to $1 million!

How does it work and does CRA know about this (yes they do)?

1. Company or holdco purchases a permanent life insurance policy on your life with the company as owner and beneficiary
2. Upon death, company receives a death benefit that credits the Capital Dividend Account (a notional account all private companies are entitled to – ask your accountant)
3. Surpluses in the Capital Dividend Account pay out tax-free – ***no dividend tax***! You save 30% - 50% in tax!

Are these strategies right for you? Connect and find out how they might fit into your plan.

Click here for a full overview on our financial planning services

*Please let us know if you think there is someone in your network who would benefit from this note. We are always happy to include them on the list. You are our best source of referrals.
Check us out at: www.stevestavridis.ca