

August, 2011

Dear Client,

I would like to take the opportunity to update you on recent events pertaining to the capital markets and how it relates to the current economic recovery underway.

Earlier this month the capital markets seemed ready to come unhinged at the prospect of the U.S Senate and Congress not coming to a deal to raise the debt ceiling, before the August 2<sup>nd</sup> deadline. The result being the inevitable passing of legislation which not only raised the debt ceiling, but also included provisions to reduce their deficit by some U.S.\$2 trillion over the next decade. The U.S. dollar should continue to be the global reserve currency and as such the U.S. Treasury market continues to remain a safe haven for global investors.

An unprecedented downgrade of the U.S debt by rating agency Standard & Poor's also took place providing the fuel for increased volatility on most major capital markets. It is during moments such as this when investors need to look beyond the noise and focus on the fundamentals. The current level of cash on corporate balance sheets continues to improve indicating that this isn't an economic crisis, nor a debt crisis but a crisis of confidence. Today represents an opportunity to buy good companies at a discounted price. To quote one of the world's most successful investor Warren Buffett, "**Be fearful when others are greedy and greedy when others are fearful**".

I remain committed to providing you a sound perspective on which to make informed financial decisions and I look forward to discussing the various opportunities that currently exist.

Sincerely,

David Beauchamp, CFP, FMA, FCSI  
Senior Financial Advisor

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