

April 2016

Dear Client,

It appears Mother Nature has somewhat of a cruel sense of humour as our spring season has us shoveling more snow and dodging ever-present potholes. I would like to take this opportunity to update you on the more noteworthy market activities and recent Federal Budget changes.

The beginning of 2016 had the capital markets experiencing the worst opening weeks in recorded history. This can partially be attributed to the U.S. dollars' rapid strengthening, which has not occurred to this extent since the 1970s. The first signs of rising U.S. interest rates have markets nervous about corporate earnings under a backdrop of further rate hikes which may not materialize. The S&P500 however, continues to flirt with all-time highs due to the low probability of a U.S. recession. The delayed benefits of low energy prices have not yet equated to higher gross domestic product (GDP), which is predicted for 2017.

The recent Federal Budget has the eligible age for receiving Old Age Security (OAS) pension back to 65. This is surely welcome news for Canadians born after 1960, as the OAS benefit has become an integral component of retirement income for many.

A change was also made to the tax-free switching afforded to Corporate Class mutual funds which will remain in effect until September of this year, at which time such transactions will be considered a taxable event. The benefits of sharing expenses among such class of funds will remain along with the Return of Capital benefits of T-series funds. Should you require further clarification please contact me directly so that we can discuss further.

As always I look forward to assisting you.

Kind regards,

David Beauchamp, CFP, FMA, CIM, FCSI  
Senior Financial Advisor

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