

December 1, 2017

Dear Client,

In my previous year end newsletters, I usually reflect on past developments both of a financial nature and also current global events. I would like to draw attention to an emergent technology which is not yet a household name. Blockchain is by definition a decentralized electronic system used for general record management for transactions such as securities trading. Such a system may lead to real-time settlement of securities trading which is currently T+2 (Today's trade date plus 2 business days). Such a system could dramatically reduce transaction costs and improve the efficiency of trade settlement. It would inherently eliminate the need for trusted third parties currently used, as general record management would be automatically reconciled. The future of business under a decentralized system could even change how property/land transactions are handled in the future.

An early adopter of blockchain technology would be crypto-currency issuers such as Bitcoin. The road to massive rewards is not without its risks, as it has been reported that hackers can enter crypto-currency accounts when accessed with unsecure Wi-Fi networks and fraudulently transfer account balances. Recently the Securities and Exchange Commission (SEC) in the United States recently denied approval of a proposed Bitcoin ETF (exchange traded fund), as account ownership in securities trading requires full transparency. I suspect regulators will be increasingly involved should crypto-currencies become further entwined with financial markets. Initial Coin Offerings (ICO's) in the meantime are considered speculative and should be thoroughly researched.

I look forward to monitoring and keeping you informed of all future new developments as they pertain to your accounts.

To keep track of important events and appointments, please find a 2018 calendar enclosed which has tips on keeping healthy throughout the coming year. On behalf of Kim and myself, we would like to take this opportunity to wish you and your family a happy and healthy holiday season and a prosperous New Year!

Sincerely,

David Beauchamp, CFP<sup>®</sup>, FMA, CIM, FCSI<sup>®</sup>  
Senior Financial Advisor

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