



Strong First Half for Canada

After a hesitant start to 2014, positive trends in the global economy helped to push both equity and bond prices higher in the second quarter of the year, and the Canadian dollar rose in value relative to its U.S. counterpart.

Canadian equities, as measured by the S&P/TSX Composite Index, reached a new high in mid-June, breaking the previous record set in June 2008. In 2014, Canada has become one of the world's best-performing major markets returning 11% for the year-to-date. Canadian stocks benefited from higher prices for natural resources, particularly energy, lifted by the conflicts in Ukraine and Iraq and improving economic data from China. Banks and other financial services companies also posted strong results.

In the U.S., the S&P 500 Index followed its muted first quarter performance with a healthy second quarter gain of 5.2% (or 1.6% when expressed in Canadian dollars), and it also reached a new high in mid-June. European markets continued to make gains during the second quarter and most indexes in Asia also advanced in local currency terms, although results for the first half of the year remained mixed. The MSCI World Index rose 5%, or 1.5% in Canadian dollar terms.

Central banks around the world maintained their cautious tone, keeping monetary policy highly accommodative to growth. Global interest rates remained largely unchanged – or in the case of the Eurozone, were slightly lower –

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While we didn't make it to the World Cup of soccer again this year, Canada's tennis pros are on the rise. Eugenie Bouchard's appearance in the final at Wimbledon made her the first Canadian to reach the final of a Grand Slam in Singles. Milos Raonic's semi-final finish at Wimbledon made him the first Canadian male to reach a Grand Slam semi-final since 1923.

Save the date!

Peter Drake - October 14, 2014

It is our pleasure to welcome Peter Drake back to speak on the economy and the new realities of retirement. Peter Drake is vice president, retirement and economic research at Fidelity Investments Canada. Peter is a former deputy chief economist at TD Bank and his role as an economist spans more than 35 years.

We will be sending out additional details shortly as we finalize the specifics for this event.

Event in association with: 

Three Estate Planning Priorities

1. Create or review and update your will
 - If you don't have a will – *the time is now*, have one drawn up by a lawyer. (Don't use a will kit or DIY template)
 - If you have a will – review it every 5 years or sooner if you've had family changes
2. Create or review and update your powers of attorney (PoA). There are two types of PoAs:
 - Continuing PoA for Property (Financial) and
 - PoA for Personal Care (Health)
3. Talk to your family about:
 - Your funeral wishes
 - Where your important documents are located (ie your will, PoA, insurance policies, financial documents, etc.)

We have excellent Snapshots Organizers from Dynamic Funds that are a great place to start organizing your personal, estate and financial details. Let us know if you would like a copy.

Mutual Funds offered through:


www.keybase.com

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allowing government bond prices to drift upward. The FTSE TMX Canada Universe Bond Index, a measure of Canadian government and investment-grade corporate bonds, added nearly 2% for the quarter. The increase in the Canadian dollar, meanwhile, reflected the economy's perceived strength, as well as higher resource prices.

Markets have made strong gains in recent years, and the global economy's modest expansion continues to support a positive outlook for equities as we enter the second half of 2014. The volatility that characterized most of the recovery has subsided for the time being, and many of the risks that have threatened growth, including Europe's debt struggles and the slowdown in China, have also faded. Nevertheless, we continue to believe that a well-diversified portfolio that is tailored to your individual objectives and risk tolerance is prudent. This diversification will help to maximize returns for your portfolio, while mitigating risks as they occur, including the possibility of rising interest rates.

In closing, we would like to wish you and your family a safe and relaxing summer. If you would like to discuss your portfolio, or any other wealth management issues, please do not hesitate to contact our office.

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New Tax Measures for "US Persons"

Starting July 1, 2014, Canadian financial institutions are required to identify all US persons and foreign income being earned. This is a result of the implementation of the Foreign Account Tax Compliance Act (FACTA) and an Inter-Governmental Agreement (IGA) between the United States and Canadian governments.

The main goal of the law itself is to be sure that all US persons are paying required taxes related to financial accounts held outside of the United States.

The definition of a "US person" includes US residents residing abroad, dual citizens, Canadians with Green Cards and some snowbirds who spend considerable time in the US (i.e. meet the "substantial presence test" based on the number of days in the US).

Implementation of the legislation means that all Canadian financial institutions (such as investment dealers, banks, insurance companies etc.) will have to ask you a few more questions, going forward, in order to identify those with the defined US connections and meet all reporting obligations. For our clients we will be asking these questions at a future review meeting.

If you are a "US person" you may also wish to contact your accounting professional to determine the potential tax implications that apply to your specific situation.

Employee Health and Savings Plans

We have a broad offering of employee benefit plans including:

- Group RRSPs (employer contributory and non-contributory)
- Deferred Profit Sharing Plans
- Defined Contribution Pension Plans
- Traditional health and dental plans¹
- Employee health reimbursement plans deductible to the employer¹

Contact us to learn more about options that might be right for your business.

1: Group Health, Dental and reimbursement plans offered through HUB Financial Inc.

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