

Index	Sept Return	1 Year
MSCI ACWI	1.93%	18.65%
S&P 500	2.06%	18.61%
MSCI EAFE	2.49%	19.10%
Barclay's Aggregate Bond	-0.46%	0.21%
Bloomberg Commodity	-0.15%	-0.29%

US equities remained strong in September as the S&P 500 gained 2.06%. During the month the Federal Reserve announced that it will begin unwinding its balance sheet, pushing interest rates to their highest levels in more than two months. As a result, bond prices fell during the month. Helped by a lower US Dollar, emerging markets led the way in the third quarter by gaining 7.89%. Although geo-political risks remain, the global economy continues to move forward.

### Tax Reform

The United States currently has one of the highest corporate tax rates in the developed world. The US tax system hasn't been reformed since 1986. That may change soon as Republicans are set to vote on a 2018 budget proposal that will most likely include tax reform.

The framework unveiled by Congressmen earlier this month would reduce the corporate tax rate from 35% to around 20%. It would zero out the alternative minimum tax and estate tax. The proposal would also simplify the personal tax code from seven brackets to three taxed at 12%, 25% and 33%. In addition, increases in the child dependent tax credit and non-child dependent credit are expected.

Although uncertainty remains on what the final tax reform will be, we believe the proposed structure will help to simplify the tax code and stimulate the economy. However, some budget hawks have warned the plan could add \$2.2 trillion to the national debt over the next 10 years. Either way, we will continue to work on strategies to assist our clients with minimizing taxes.

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