

THESE TRENDS ARE REAL

"The outside world can push you into Day 2 (failure) if you won't or can't embrace powerful trends quickly. If you fight them, you're probably fighting the future. Embrace them and you have a tailwind."

Jeff Bezos, Amazon CEO

Global economic activity and lifestyle modifications have changed remarkably over the past decade. These transformational trends have been largely due to technological innovation, advances in connectivity and mobile technology and globalization. Unfortunately, certain industries and companies have been slow to adapt to these fast-moving changes and, consequently, they have become casualties of the new economy. The fact is that these trends are very real and we believe that they will continue to deeply impact worldwide economic growth, employment, inflation and interest rates.

For instance, take consumer retailing. The growing use of the internet and the predominant position of Amazon radically transformed traditional store-front selling, impacting mall shopping, restaurants, newspapers, travel and entertainment. Beneficiaries encompass well-placed innovators including Uber, Airbnb, Salesforce.com and cashless expeditors such as Bitcoin, PayPal, MasterCard and Visa. More importantly, we expect these revolutionary lifestyle trends to continue to evolve through the expansion of artificial intelligence, engineering, robotics, medical innovation, as well as cryptocurrencies. Additionally, also impacted will be electric and driverless vehicles, solar energy applications, banking, cloud computing, burgeoning Chinese consumer demand, cellular phones/mobile technology, newspapers and magazines.

Many of these trends have been instigated by the tech-savvy millennial generation (roughly born between 1980 - 1996) who have been instrumental in spawning and quickly

adopting technological innovation. Now the largest generation in the workforce, we expect this group to become even more proactive and important with regard to future trends and successful investment positioning.

As analysts and portfolio managers we must take heed of these transforming trends and tailor our investments accordingly. Clearly, opportunistic industry titans including Amazon, Alibaba, Apple, Google, NVIDIA, Netflix, Tencent Holdings, Tesla, MasterCard, and Visa are becoming increasingly dominant and successful in deciphering, developing and extending these new directions. We expect this to continue.

In summation, we firmly believe that the current economic and investment trends are real and cannot be ignored. Over the past 18 months we have positioned our ABC portfolios to become beneficiaries of these changing economic and social activities which we anticipate will carry on into 2018.





Economic

Perspectives

AN ELONGATED BUSINESS CYCLE

Although the current business cycle is over eight years old, North American economic growth continues to surprise the pessimists with its longevity, rising employment, lack of inflation and relatively low interest rates.

More importantly, it appears that the steady, but not spectacular, economic growth of the past few years has elongated this economic cycle. Furthermore, this solid

economic performance has not been lost on the major U.S. equity market indices which continue to reach new record highs. Notably, there is considerable significance to climbing common stock prices since it should be remembered that they are acknowledged leading economic indicators of future business activity.

Investment

Perspectives

PENT UP DEMAND FOR COMMON STOCKS

Despite the elevated levels of North American common stocks, larger capitalization/dividend paying equities still appear to be comparatively attractive versus low-yielding money market rates and government bonds.

Spurred on by positive economic growth, fairly good quarterly earnings and dividend increases as well as accommodating global monetary policies, North American common stocks, are not extraordinarily undervalued. However, common stocks do offer an enticing investment

vehicle to participate in this elongated business cycle. Additionally, there are considerable funds earmarked for common stock investment parked in low yielding short-term paper anxiously awaiting an opportune time to be deployed. However, the longer common stocks do not retreat, a building investor impatience growing in crescendo could result in a major buying surge. This event could catapult common stocks to even higher record levels.

Portfolio

Perspectives

FULLY INVESTED

With the view that the North American economies are expanding, corporate earnings are improving, dividends are increasing, employment is climbing, inflation is subdued and interest rates are relatively low, we remain positive and fully invested. Our equity portfolios are composed of a diversified mix of dividend-paying larger American, Canadian and international companies. We have retained our 100% U.S. currency hedge to reduce any expected

dollar volatility. With only three months remaining in 2017 we are quite optimistic with regard to the equity market outlook, global economic growth and our ABC portfolios. Although we anticipate periodic market setbacks, we believe that common stocks are attractive and will continue to trend higher.



**FULLY
MANAGED FUND**
INVEST YOUR MONEY
WHERE WE INVEST OURS

STATEMENT OF INVESTMENT PORTFOLIO

SEPTEMBER 29, 2017

CASH -- 0.44%

Cash - CAD	0.38%
Cash - USD	0.06%

CONSUMER DISCRETIONARY -- 9.42%

Amazon.com Inc. US	1.32%
Brunswick Corp. US	2.10%
Six Flags Entertainment Corp. US	1.99%
Starbucks Corp. US	1.10%
The Home Depot Inc. US	2.91%

HEALTH CARE -- 11.52%

Aetna Inc. US	2.98%
Amgen Inc. US	1.96%
Becton, Dickinson and Co. US	2.95%
Danaher Corp. US	1.07%
Johnson & Johnson US	2.56%

UTILITY -- 11.51%

Algonquin Power & Utilities Corp.	3.06%
AltaGas Ltd., subscription receipts	2.34%
Brookfield Renewable Partners L.P.	1.15%
Fortis Inc.	2.80%
Hydro One Ltd.	2.16%

CONSUMER STAPLES -- 8.72%

Loblaw Companies Ltd.	3.16%
Metro Inc.	1.69%
PepsiCo Inc. US	1.74%
The Kraft Heinz Co. US	2.13%

FINANCIAL SERVICES -- 15.69%

Bank of Montreal	2.47%
Canadian Imperial Bank of Commerce	2.08%
East West Bancorp Inc. US	1.56%
Manulife Financial Corp.	1.99%
Royal Bank of Canada	2.76%
The Bank of Nova Scotia	2.20%
The Toronto-Dominion Bank	2.63%

REAL ESTATE -- 1.86%

Brookfield Property Partners L.P.	1.86%
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ENERGY -- 8.63%

Inter Pipeline Ltd.	1.90%
Keyera Corp.	1.56%
Suncor Energy Inc.	2.57%
TransCanada Corp.	2.60%

TECHNOLOGY -- 20.55%

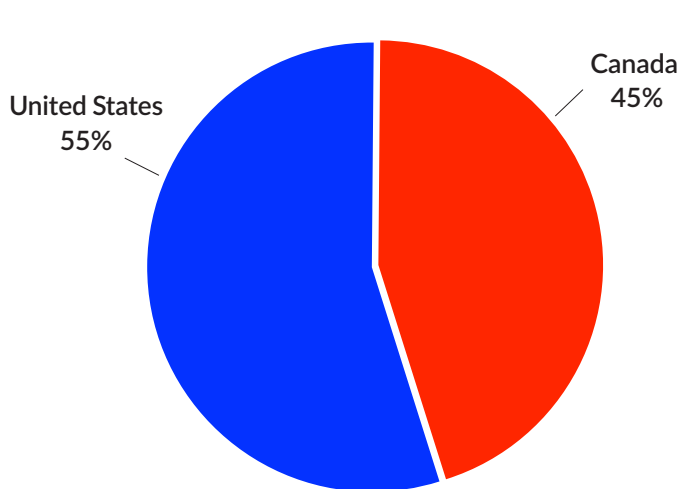
Alphabet Inc., Class A US	1.89%
Apple Inc. US	3.05%
Broadcom Ltd. US	2.89%
MasterCard Inc., Class A US	3.52%
Microsoft Corp. US	2.98%
NVIDIA Corp. US	3.05%
Visa Inc., Class A US	3.17%

INDUSTRIAL PRODUCTS -- 11.66%

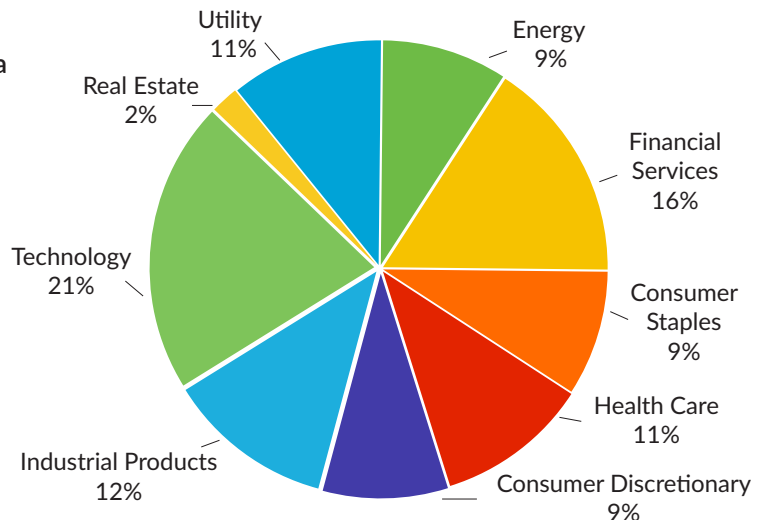
CCL Industries Inc., Class B	3.66%
Honeywell International Inc. US	2.41%
Northrop Grumman Corp. US	1.89%
Republic Services Inc. US	1.83%
Waste Management Inc. US	1.87%

Exchange rate used is 1.2507

Geographic Allocation



Sector Allocation





FUNDAMENTAL VALUE FUND

INVEST YOUR MONEY
WHERE WE INVEST OURS

STATEMENT OF INVESTMENT PORTFOLIO

SEPTEMBER 29, 2017

CASH -- 1.82%

Cash - CAD 0.51%
Cash - USD 1.31%

HEALTH CARE -- 12.07%

Aetna Inc. **US** 2.72%
Amgen Inc. **US** 1.79%
Becton, Dickinson and Co. **US** 2.87%
Boston Scientific Corp. **US** 2.45%
Celgene Corp. **US** 1.10%
Regeneron Pharmaceuticals Inc. **US** 1.14%

CONSUMER STAPLES -- 6.04%

Loblaw Companies Ltd. 3.00%
The Coca-Cola Co. **US** 1.41%
The Kraft Heinz Co. **US** 1.63%

FINANCIAL SERVICES -- 15.37%

Bank of Montreal 1.72%
Canadian Imperial Bank of Commerce 1.83%
East West Bancorp Inc. **US** 1.56%
Morgan Stanley 1.33%
National Bank of Canada 1.68%
Royal Bank of Canada 2.43%
The Bank of Nova Scotia 2.15%
The Toronto-Dominion Bank 2.67%

UTILITY -- 7.54%

AltaGas Ltd., subscription receipts 2.54%
Brookfield Renewable Partners L.P. 1.29%
Emera Inc. 1.68%
Hydro One Ltd. 2.03%

INDUSTRIAL PRODUCTS -- 10.18%

CCL Industries Inc., Class B 2.87%
Honeywell International Inc. **US** 1.29%
Northrop Grumman Corp. **US** 2.42%
United Technologies Corp. **US** 1.63%
Waste Management Inc. **US** 1.97%

CONSUMER DISCRETIONARY -- 11.17%

Alibaba Group Holding Ltd. ADR **US** 1.27%
Amazon.com Inc. **US** 3.14%
Electronic Arts Inc. **US** 2.00%
Netflix Inc. **US** 1.82%
The Home Depot Inc. **US** 2.94%

ENERGY -- 8.76%

Enbridge Inc. 2.24%
Inter Pipeline Ltd. 1.34%
Suncor Energy Inc. 2.74%
TransCanada Corp. 2.44%

REAL ESTATE -- 3.74%

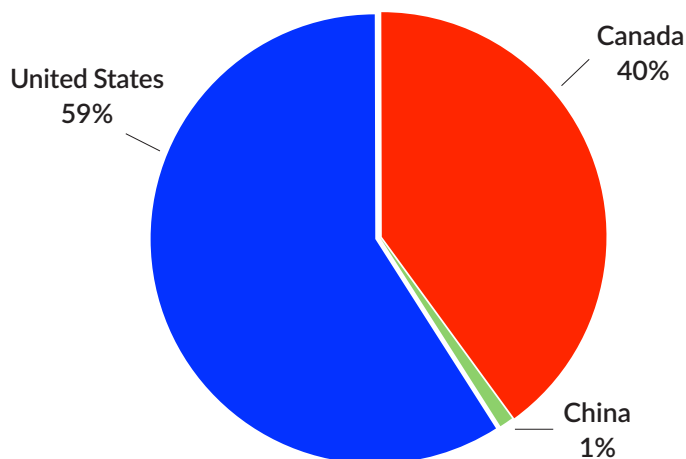
Brookfield Property Partners L.P. 1.73%
RioCan REIT 2.01%

TECHNOLOGY -- 23.31%

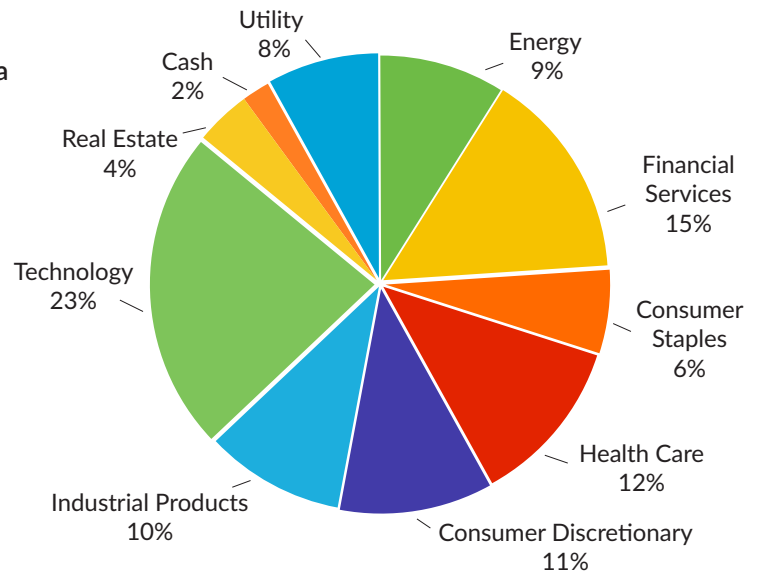
Alphabet Inc., Class A **US** 2.68%
Apple Inc. **US** 3.18%
Facebook Inc. **US** 1.90%
MasterCard Inc., Class A **US** 3.71%
Microsoft Corp. **US** 2.99%
NVIDIA Corp. **US** 2.20%
Salesforce.com Inc. **US** 1.78%
Skyworks Solutions Inc. **US** 2.78%
Visa Inc., Class A **US** 2.09%

Exchange rate used is 1.2507

Geographic Allocation



Sector Allocation

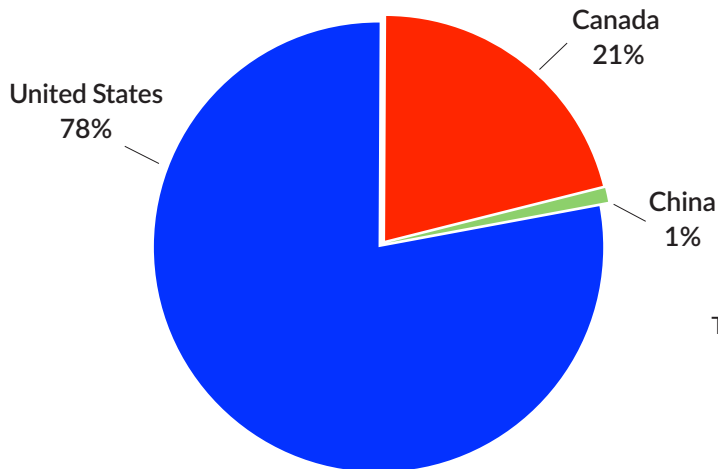




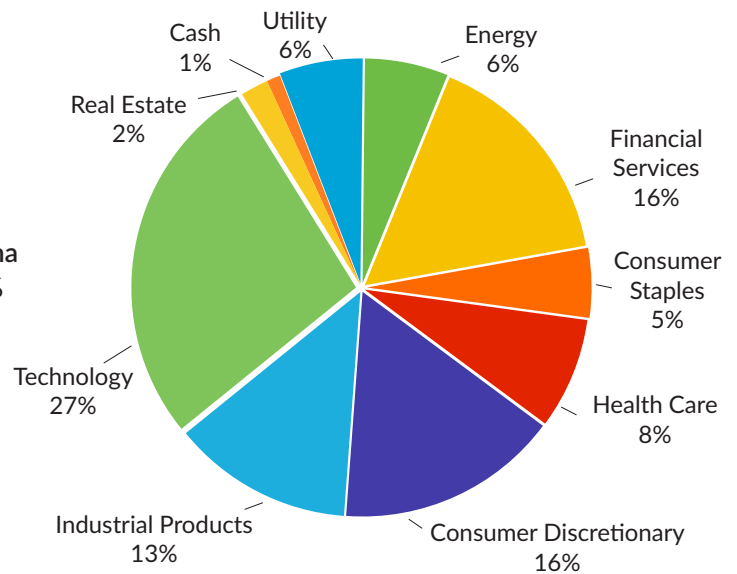
CASH -- 0.69%					
Cash - CAD	0.60%				
Cash - USD	0.09%				
CONSUMER STAPLES -- 4.77%					
Costco Wholesale Corp. US	1.08%				
PepsiCo Inc. US	2.04%				
The Kraft Heinz Co. US	1.65%				
INDUSTRIAL PRODUCTS -- 13.09%					
3M Company US	1.95%				
CCL Industries Inc., Class B	1.26%				
Honeywell International Inc. US	2.10%				
The Boeing Co. US	4.16%				
United Technologies Corp. US	1.73%				
Waste Management Inc. US	1.89%				
CONSUMER DISCRETIONARY -- 15.90%					
Alibaba Group Holding Ltd. ADR US	1.29%				
Amazon.com Inc. US	3.13%				
Electronic Arts Inc. US	2.48%				
McDonald's Corp. US	1.22%				
Netflix Inc. US	1.67%				
Six Flags Entertainment Corp. US	2.02%				
Starbucks Corp. US	1.10%				
The Home Depot Inc. US	2.99%				
ENERGY -- 6.02%					
Enbridge Inc.	1.97%				
Suncor Energy Inc.	2.21%				
TransCanada Corp.	1.84%				
REAL ESTATE -- 1.65%					
Brookfield Property Partners L.P.	1.65%				
HEALTH CARE -- 8.25%					
Anthem Inc. US				2.59%	
Boston Scientific Corp. US				2.19%	
Danaher Corp. US				1.82%	
Regeneron Pharmaceuticals Inc. US				1.65%	
UTILITY -- 6.56%					
Algonquin Power & Utilities Corp.				2.45%	
AltaGas Ltd., subscription receipts				2.32%	
Emera Inc.				1.79%	
FINANCIAL SERVICES -- 16.08%					
Canadian Imperial Bank of Commerce				2.44%	
First Republic Bank US				3.05%	
Goldman Sachs Group US				1.22%	
JPMorgan Chase & Co. US				1.78%	
Prudential Financial Inc. US				2.48%	
SVB Financial Group US				2.71%	
The Toronto-Dominion Bank				2.40%	
TECHNOLOGY -- 26.99%					
Adobe Systems Inc. US				0.92%	
Advanced Micro Devices Inc. US				1.23%	
Alphabet Inc., Class A US				2.79%	
Apple Inc. US				3.42%	
Broadcom Ltd. US				2.88%	
Facebook Inc. US				1.89%	
MasterCard Inc., Class A US				3.49%	
Microsoft Corp. US				2.81%	
NVIDIA Corp. US				2.87%	
Salesforce.com Inc. US				1.24%	
Visa Inc., Class A US				3.45%	

Exchange rate used is 1.2507

Geographic Allocation



Sector Allocation





NORTH AMERICAN EQUITY FUND

INVEST YOUR MONEY
WHERE WE INVEST OURS

STATEMENT OF INVESTMENT PORTFOLIO

SEPTEMBER 29, 2017

CASH -- 0.27%

Cash - CAD

0.27%

CONSUMER STAPLES -- 8.17%

Jamieson Wellness Inc.
Loblaw Companies Ltd.
Mondelez International Inc. **US**
The Coca-Cola Co. **US**

2.58%
2.73%
1.57%
1.29%

FINANCIAL SERVICES -- 16.44%

Bank of Montreal
BB&T Corp. **US**
Canadian Imperial Bank of Commerce
Morgan Stanley **US**
Royal Bank of Canada
SVB Financial Group **US**
The Bank of Nova Scotia
The Toronto-Dominion Bank

2.22%
1.75%
2.54%
1.54%
2.11%
1.27%
2.13%
2.88%

HEALTH CARE -- 13.12%

Anthem Inc. **US**
Becton, Dickinson and Co. **US**
Boston Scientific Corp. **US**
Celgene Corp. **US**

3.40%
2.92%
3.63%
3.17%

ENERGY -- 5.78%

Inter Pipeline Ltd.
Suncor Energy Inc.
TransCanada Corp.

1.55%
2.19%
2.04%

CONSUMER DISCRETIONARY -- 16.69%

Amazon.com Inc. **US**
Brunswick Corp. **US**
Dave & Buster's Entertainment Inc. **US**
Electronic Arts Inc. **US**
Netflix Inc. **US**
Tesla Inc. **US**
The Home Depot Inc. **US**

3.35%
2.25%
2.69%
3.08%
1.44%
1.52%
2.36%

TECHNOLOGY -- 21.53%

Advanced Micro Devices Inc. **US**
Alphabet Inc., Class A **US**
Apple Inc. **US**
Facebook **US**
MasterCard Inc., Class A **US**
Salesforce.com Inc. **US**
Skyworks Solutions Inc. **US**
Visa Inc., Class A **US**

1.96%
2.06%
3.34%
3.40%
2.78%
1.74%
2.72%
3.53%

INDUSTRIAL PRODUCTS -- 9.39%

Avery Dennison Corp. **US**
CCL Industries Inc., Class B
Ingersoll-Rand PLC **US**
Raytheon Co. **US**
Waste Management Inc. **US**

1.55%
2.91%
1.74%
2.12%
1.07%

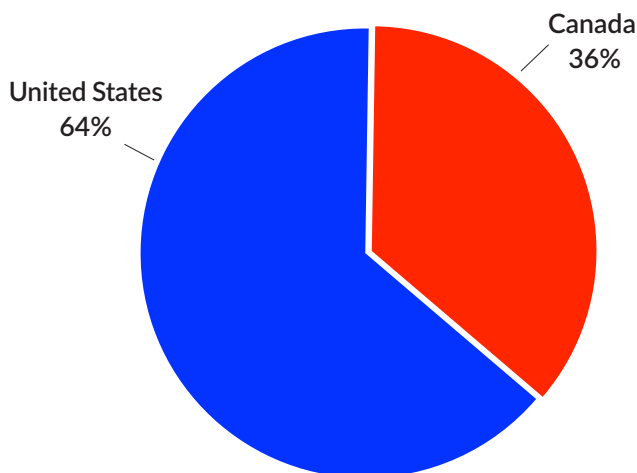
UTILITY -- 8.61%

Algonquin Power & Utilities Corp.
AltaGas Ltd., subscription receipts
Emera Inc.
Northland Power Inc.

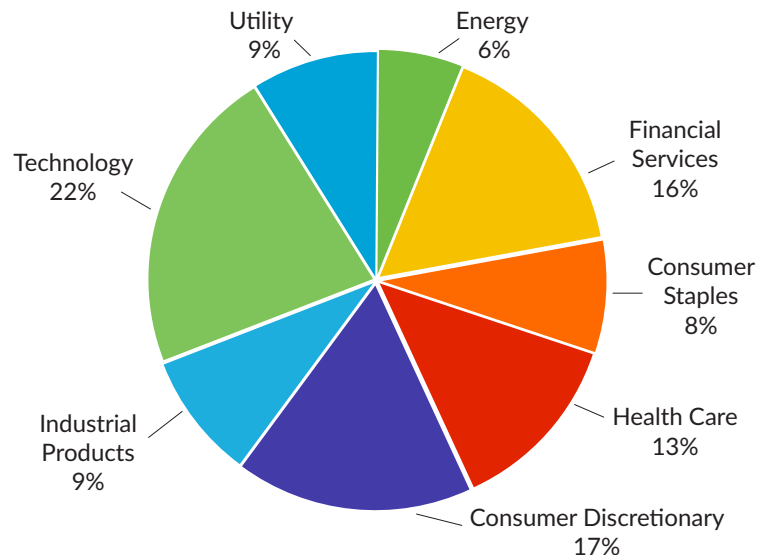
2.64%
2.07%
1.53%
2.37%

Exchange rate used is 1.2507

Geographic Allocation



Sector Allocation

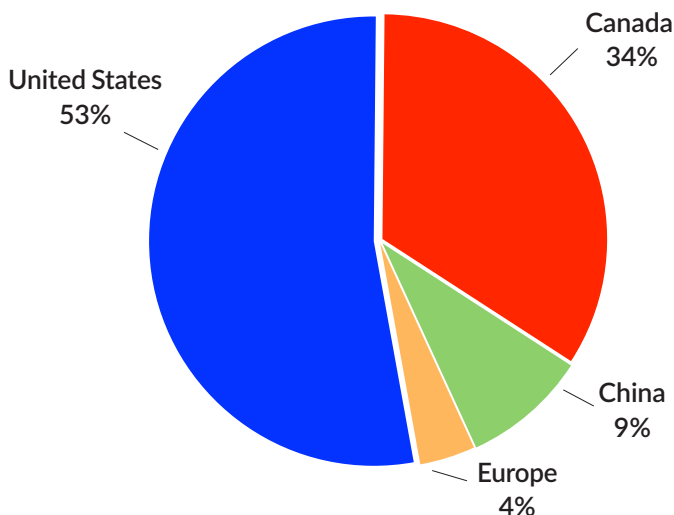




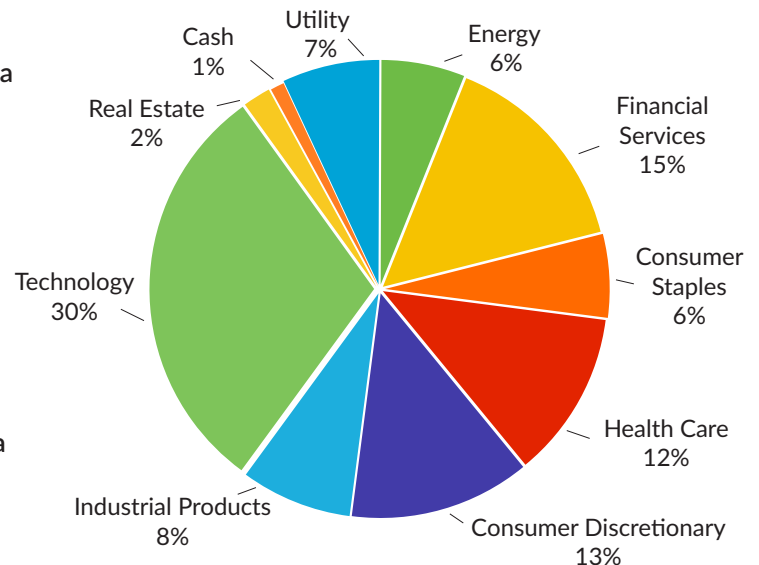
CASH -- 1.01%		CONSUMER DISCRETIONARY -- 13.55%	
Cash - CAD	1.00%	Alibaba Group Holding Ltd. ADR US	2.69%
Cash - USD	0.01%	Amazon.com Inc. US	2.36%
		Dave & Buster's Entertainment Inc. US	1.36%
UTILITY -- 6.83%		Electronic Arts Inc. US	1.60%
Algonquin Power & Utilities Corp.	2.64%	Netflix Inc. US	1.58%
AltaGas Ltd., subscription receipts	2.00%	Six Flags Entertainment Corp. US	2.25%
Fortis Inc.	2.19%	The Home Depot Inc. US	1.71%
TECHNOLOGY -- 29.56%		CONSUMER STAPLES -- 5.96%	
Adobe Systems Inc. US	3.64%	Jamieson Wellness Inc.	2.54%
Alphabet Inc., Class A US	1.89%	Loblaw Companies Ltd.	2.24%
Apple Inc. US	3.02%	The Coca-Cola Co. US	1.18%
Baidu Inc., ADR US	1.24%		
Broadcom Ltd. US	2.68%	FINANCIAL SERVICES -- 15.15%	
Facebook Inc. US	1.66%	Bank of Montreal	2.10%
MasterCard Inc., Class A US	3.32%	Canadian Imperial Bank of Commerce	1.45%
NVIDIA Corp. US	2.18%	East West Bancorp Inc. US	1.79%
Salesforce.com Inc. US	1.36%	First Republic Bank US	2.02%
SAP SE ADR US	1.97%	National Bank of Canada	1.05%
Tencent Holdings Ltd. ADR US	2.10%	Royal Bank of Canada	2.14%
Visa Inc., Class A US	1.55%	The Bank of Nova Scotia	1.96%
YY Inc. ADR US	2.95%	The Toronto-Dominion Bank	2.64%
HEALTH CARE -- 12.49%		INDUSTRIAL PRODUCTS -- 7.57%	
Aetna Inc. US	2.51%	CCL Industries Inc., Class B	2.25%
Amgen Inc. US	1.81%	Siemens AG, ADR US	1.87%
Becton, Dickinson and Co. US	2.52%	The Boeing Co. US	3.45%
Boston Scientific Corp. US	2.82%		
Celgene Corp. US	1.27%	ENERGY -- 6.25%	
Regeneron Pharmaceuticals Inc. US	1.56%	Keyera Corp.	1.83%
		Suncor Energy Inc.	2.20%
REAL ESTATE -- 1.63%		TransCanada Corp.	2.22%
Brookfield Property Partners L.P.	1.63%		

Exchange rate used is 1.2507

Geographic Allocation



Sector Allocation





ABC Funds™

INVEST YOUR MONEY
WHERE WE INVEST OURS

THREE FAVOURED ABC COMMON STOCK HOLDINGS

NVIDIA Corp.: is the global leader in the design and development of graphics processing units (GPU) and software. Originally focused solely on the gaming segment, NVIDIA's business has been driven by tremendous demand for its products in a number of emerging segments, including: cloud computing, artificial intelligence, autonomous cars, virtual reality and data centres. Specifically, the data centre segment is particularly promising, growing an impressive 175% in its most recent quarter versus last year. On the automotive front, NVIDIA designs and supplies chips, which are integral to self-driving cars, for Volvo, Toyota, BMW and Mercedes-Benz. Additionally, the emergence of the blockchain, a secure new technology, is creating significant opportunities for NVIDIA since their processing chips are used to mine cryptocurrencies, such as Bitcoin, Litecoin and Ethereum. As the demand for cryptocurrencies grows, so should the demand for NVIDIA's products.

Jamieson Wellness Inc.: is a Canadian health and wellness company that develops, manufactures and markets numerous brands of vitamins and natural health products. Jamieson's global consumer sales platform distributes to over 40 countries and is targeting further expansion into China, Eastern Europe and the Middle East. The company's investment attraction is largely due to its improving fundamentals via favourable demographic changes and health trends, excellent free cash flow, ample dividend and sales growth potential. Beyond international growth and margin expansion, Jamieson should continue to grow through acquisitions, as evidenced by its February 2017 purchase of Body Plus and Sonoma.

CCL Industries Inc.: is a speciality packaging company which manufactures and sells labels, containers and consumer printable media products. CCL is the world's largest label company with global operations and a diversified customer base comprising food, beverage, packaged goods, auto, industrial and the healthcare sector. CCL has excellent organic growth, however its main opportunity lies with its merger and acquisition activities. For instance, CCL's experienced management team has completed several large acquisitions and there are considerable opportunities for further consolidation in the very large and fragmented speciality packaging market. More importantly, the company also produces substantial free cash flow, which is being used to fund acquisitions and pay a small dividend.

Administrative Information

- There are units of the ABC North American Equity Fund & ABC Global Equity Fund available for purchase. Contact our office for more information.
- Purchase requests must reach our office by the last business day of the month and redemption requests (for our open funds) must reach our office no later than ten business days before the last business day of the month.
- Clients that are invested in our closed-end funds are able to redeem their reinvested distribution units on a monthly basis. Also, you can participate in the annual 10% redemption right if you provide the completed form by November 30 for a December 29 transaction date. If you need assistance with either of these options, please do not hesitate to contact our office.
- All cheques are to be made payable to RBC Investor Services.
- All client requests are to be directed to ABC Funds.
- We continue to request that clients assist in updating their "Know Your Client" forms. This information is a regulatory requirement to assess the suitability of our various ABC Funds to individual client's needs.
- RBCITS is the custodian of the ABC Funds and is responsible for providing our clients with account statements, tax slips and requested funds. We ask that you retain all statements for your records as there may be additional costs for retrieving historical data.
- Please contact our office to inform us of any changes in mailing or email addresses. If we do not have your current contact information, you may not receive the information we are sending out.

This newsletter is published by I.A. Michael Investment Counsel Ltd. and the ABC Funds

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