



MONTHLY PERSPECTIVES

March 2014 | Volume 2 | Issue 3

PI Financial sponsored ski cross racer Marielle Thompson wins Olympic gold



Marielle Thompson of Whistler B.C., who has been sponsored by PI Financial for the last two seasons, won the gold medal in women's ski cross final in Sochi. Ms. Thompson, 21, won her three heats to make it to the final and took the lead midway down the course to finish first, just ahead of her teammate Kelsey Serwa, who took silver.

After the race, Ms. Thompson said "It's crazy. I don't think it's even sunk in yet. I just had a big wave of emotion. I'm so, so happy, especially to be up there with my teammate. We're just having fun all day. I know Kelsey well and we tried to help each other all the way down the course."

PI Financial entered into a sponsorship agreement with Ms. Thompson in June 2012. "We realized her tremendous talent and it is exciting to see her hard work and training pay off in this way," said Max Meier, Chairman and CEO of PI Financial. "We have watched her blossom into a strong, confident athlete and expect her to have a long and successful career."

With three races left in the world cup season and we are confident she will emerge as the overall winner, which would see her win her second Crystal globe in three years.

To find out more about Ms. Thompson, visit her website, <http://mariellethompson.com>

PI adds to Capital markets team in Toronto

PI Financial is very pleased to announce the addition of six new investment professionals to their Capital Markets team in Toronto. Joining the PI Capital Markets team is:

- Rick Vernon, *BSc, MBA*, Managing Director, Head of Mining Investment Banking
- Russ Mills, *CFA*, Vice President, Investment Banking
- John Glynn, *BCom, MBA, CA, CFA*, Director, Institutional Sales
- Mark Santarossa, *BCom, MBA, CA*, Director, Institutional Sales
- Christos Doulis, *CFA*, Mining Analyst
- Brian Szeto, *MA CFA*, Mining Analyst

"We are very pleased to have this highly experienced team join PI. These new professionals, five of which were previously core members of Stonecap Securities' institutional team, will add to PI's growing capital markets presence and enhance our mining sector capabilities" said Bert Quattrociochi, Executive Vice President and Head of Capital Markets. Mark Santarossa is also joining PI's Toronto institutional sales desk after previous senior roles at Macquarie Capital Markets, CIBC World Markets and Haywood Securities.



Market Stats
pg 2



Technically
Speaking
pg 2



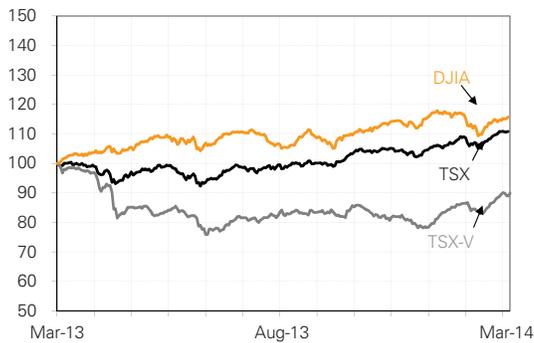
ETF Portfolios
pg 4



PI Research
pg 4



Market Stats



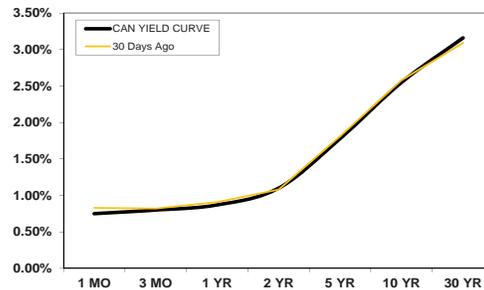
Markets		30-day % change
TSX	14,209.60	3.76
TSXV	1,025.37	7.79
S&P 500	1,859.45	4.31
DJIA	16,321.70	3.97
FT-SE (U.K.)	6,809.70	3.64
Nikkei (Japan)	14,841.07	-0.49
DAX (Germany)	9,692.08	0.89

Commodities (US)		30-day net change
Canadian ¢	90.42¢	0.55¢
Gold	\$1,326.10	\$81.50
Crude Oil	\$102.55	\$5.08
Silver	\$21.20	\$2.05
Copper	\$3.24	\$0.04
CRB Index	302.43	19.12
Lumber	\$350.00	-\$3.80

Pricing as of Feb 28, 2014

Bonds / Money Market

Canada Government Yield Curve



		30-day net change
Bank Rate	1.25%	0.00
Prime Rate	3.00%	0.00
PI Cash Account	0.25%	0.00
3 Month T-Bill	0.84%	-0.05
6 Month T-Bill	0.89%	-0.03
12 Month T-Bill	0.94%	0.00
30 day Bankers' Acceptance	1.09%	0.00
90 day Bankers' Acceptance	1.11%	0.00
360 day Bankers' Acceptance	1.21%	-0.01
2 year Fed. Gov't Bond	1.00%	0.05
5 year Fed. Gov't Bond	1.63%	0.08
10 year Fed. Gov't Bond	2.43%	0.09
30 year Fed. Gov't Bond	2.94%	0.01
30 year US Fed. Gov't Bond	3.58%	-0.02

Pricing as of Feb 28, 2014

Technically Speaking

S&P 500: Back to January resistance

Consolidation expectations build in March for the U.S. index. The short-term view is for more range-bound trading, between 1820 and 1850. RSI (momentum) remains up, in the bullish band of 45 to 75. Our long-term models are still positive. We expect that any pullbacks will remain shallow into the 2nd quarter. The target in the 2nd half of 2014 remains 1950 (see Chart 22 on page 8).

Dow: Consolidation below 16,500

The world's most-watched index continues to advance, quarter over quarter, but appears to be setting up for a short-term consolidation in March. Resistance is setting up at 16,250 to 16,500, and support at 15,500. We anticipate some backfilling within a broader bull market. The declining number of stocks

(70%) trading above their 200-day moving averages (m/a's) in February reinforces our view that some sideways movement or weakness should be anticipated over next 30 days. The year-end target is 18,200.

TSX: Near breakout

The Canadian equity index is nearing a breakout above the early 2011 highs. The TSX is overbought, but momentum is expected to drive it above the 14,329.49 level to a new post-2009 high. It is interesting to note that, even with the recent strong performance from the TSX, the index only has equal relative performance to the S&P 500.

Technical Speculator - March 2014



Exchange Traded Fund Portfolios

Our three model portfolios have continued to demonstrate consistent performance for investors choosing to replicate the models. The value of properly diversifying an investment portfolio has been demonstrated with the US markets at record highs, and the core holding of the Vanguard US ETF up over 40% since it was added to the models.

Our **Core Balanced ETF Model** is designed to provide core indexation of Canadian, US and emerging market equities combined with a 40% weighting in fixed-income ETFs for asset class diversification. Overall, it is a medium-risk balanced approach to investing and works well when combined with individual security positions designed to provide returns over and above the indexed approach.

The **Growth ETF Model** is suitable for investors seeking growth with a medium to high risk profile. Given the core holding in broad equity markets combined with sector specific ETFs, it has produced solid returns but increased volatility as compared to the Core Balanced model. The First Trust Alphasdex US Dividend Plus ETF was recently added which gives the portfolio an overweight position in the US market.

Lastly, the **Balanced Income ETF** model provides monthly dividend and interest income with a current yield of approximately 4.18% annualized. The model is suitable for investors seeking monthly income using low cost and diversified ETFs with low volatility.

ETF Model Portfolio Returns – To February 28, 2014

Model Portfolio	1 yr	*2 yr	*3yr
Core Balanced	10.54%	8.50%	5.68%
Growth	9.94%	7.49%	4.30%
**Balanced Income	5.45%	6.37%	5.84%
S&P/TSX Comp	11.6%	6.57%	0.40%

*2 yr and 3 yr returns are annualized. **Balanced Income returns are to December 31, 2013.

All returns exclude any fees and/or commissions. Returns fluctuate and are not guaranteed.

Past performance is not indicative of future performance.

Contact your Investment Advisor today for more information on the PI ETF Model Portfolios.

Insurance & Estate Planning

Estate Planning

What is an Estate Plan and why would I need one? Estate Planning is the process of anticipating and arranging for the disposal of your estate. It is a tool by which you can express your final wishes, specify the division of your assets to heirs and ensure that your loved ones are cared for after your passing. At the center of every Estate Plan should be properly constructed Life Insurance protection.

Life Insurance provides for the immediate cash needs upon your death. The tax-free benefit bypasses probate and flows directly to your named beneficiaries. The resulting funds can then be used to:

- Replace lost income and ensure that your family's future needs are met
- Relieve your loved ones from the burden of debt by paying off an outstanding mortgage balance
- Protect against the immediate liquidation of assets by paying for any estate taxes owing at death
- Fund funeral costs and other final expenses
- Establish an account to fund the expenses of ongoing child care or your children's future education
- Create a legacy by bequeathing funds to a charity, school or foundation

When Estate Planning is done correctly, you can relieve the financial burden to your family and loved ones at a difficult and emotional time. Take a moment to speak with your insurance licensed advisor at PI Financial to discuss how life insurance can fit into your Estate Plan.



Recent PI Research (Feb 28)

TECSYS Inc. (T-TCS) \$6.01

Services Drive Record Revenue (Feb 28)

Rating: BUY▲; Target: \$8.00 ▲; Risk: SPECULATIVE

MEGA Brands Inc. (T-MB) \$17.72

Mattel to Acquire MEGA Brands (Feb 28)

Rating: TENDER; Target: 17.75; Risk: ABOVE AVERAGE

PHX Energy Services (T-PHX) \$13.98

Strong Revenue Gives Us Confidence (Feb 28)

Rating: BUY ▲; Target: \$14.75 ▲; Risk: ABOVE AVERAGE

Wajax Corporation (T-WJX) \$38.15

Q4 Preview: Can WJX Turn the Corner? (Feb 28)

Rating: BUY ▲; Target: \$40.00▲ Risk: AVERAGE

Coastal Contacts Inc. (T-COA; Q-COA) \$12.48/US\$11.27

Essilor to Acquire COA - \$12.45/share (Feb 27)

Rating: TENDER; Target: \$12.45 ▲; Risk: ABOVE AVERAGE

Trican Well Service (T-TCW) \$13.99

Moving to the Sidelines (Feb 27)

Rating: NEUTRAL; Target: \$14.25; Risk: ABOVE AVERAGE

Calfrac Well Services Ltd. (T-CFW) \$35.89

Solid Execution: Well Positioned (Feb 27)

Rating: BUY; Target: \$39.00 ▲; Risk: ABOVE AVERAGE

TeraGo Inc. (T-TGO) \$5.85

Transition to Datacentre and IT Services (Feb 26)

Rating: BUY; Target: \$11.00 ; Risk: SPECULATIVE

Palliser Oil & Gas Corporation (V-PXL) \$0.30

Change in Management, Not Strategy (Feb 26)

Rating: BUY; Target: \$0.40; Risk: SPECULATIVE

Please contact your PI Investment Advisor for the above reports.

PI's Q114 Top Equity Picks

	Price	Target
FirstService Corp. (Q-FSRV; T-FSV)	US\$45.66	US\$50.00
Macro Enterprises (V-MCR)	\$6.14	\$9.00
Points International Ltd. (Q-PCOM; T-PTS)	US\$29.63	US\$33.00
Rock Energy (T-RE)	\$4.17	\$5.00
Savanna Energy Services Corp. (T-SVY)	\$8.11	\$10.00
SilverCrest Mines Inc. (V-SVL)	Restricted	Restricted

For our complete PI Research reports, please go to our website, www.pifinancial.com or contact your PI Investment Advisor

Recent NBF Research (Feb 28)

TVA Group Inc. (T-TVA.B)

Quarterly Results (Feb 28)

Toronto-Dominion Bank (T-TD)

First Quarter F2014 Earnings Release (Feb 28)

Equitable Group Inc. (T-EQB)

Q4 2013 Results (Feb 28)

Exchange Income Corporation (T-EIF)

Q4/13 Earnings Revisions (Feb 28)

Atlantic Power Corporation (T-ATP;N-AT)

Q4 results, first glance (Feb 27)

Stantec Inc. (T-STN)

Q4 2013 Results (Feb 27)

New Gold Inc. (T-NGD)

Q4/13 Financial Results (Feb 27)

PI Financial Corp.

www.pifinancial.com

Head Office

Suite 1900, 666 Burrard Street
Vancouver, BC, Canada V6C 3N1
ph: 604.664.2900 fx: 604.664.2666

Vancouver Office

Suite 818, 700 West Georgia Street
Vancouver, BC, Canada V7Y 1A1
ph: 604.664.2820 fx: 604.664.2830

Toronto Office

Suite 3401, 40 King Street West
Toronto, ON, Canada M5H 3Y2
ph: 416.883.9040 fx: 647.789.2401

Victoria Office

Suite 620, 880 Douglas Street
Victoria, BC, Canada V8W 2B7
ph: 250.405.2900 fx: 250.405.2911

Calgary Office

Suite 1560, 300 5th Avenue SW
Calgary, AB, Canada T2P 3C4
ph: 403.543.2900 fx: 403.543.2800

Winnipeg Office

Suite 1520, 360 Main Street
Winnipeg, MB, Canada R3C 3Z3
ph: 204.987.7220 fx: 204.982.7957

Regina Office

Suite 102, 2022 Cornwall Street
Regina, SK, Canada S4P 2K5
ph: 306.525.7650 fx: 306.525.7669

PI Financial Corp. is a participant in all Canadian Marketplaces, and is a member of the: Investment Industry Regulatory Organization of Canada; Canadian Investor Protection Fund; and AdvantageBC International Business Centre - Vancouver.

Estimates and projections contained herein are our own and are based on assumptions which we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness, nor in providing it does PI Financial Corp. assume any responsibility or liability. This information is given as of the date appearing on this report, and PI Financial Corp. assumes no obligation to update the information or advise on further developments relating to securities. PI Financial Corp. and its affiliates, as well as their respective partners, directors, shareholders, and employees may have a position in the securities mentioned herein and may make purchases and/or sales from time to time. PI Financial Corp. may act, or may have acted in the past, as a financial advisor, fiscal agent or underwriter for certain of the companies mentioned herein and may receive, or may have received, remuneration for their services from those companies.

The contents of this report are intended to be used or viewed only by, persons resident and located in those Canadian jurisdictions where PI Financial Corp. is registered to conduct securities business, or in those jurisdictions where no registration is required, and therein only by PI Financial Corp. employees permitted to provide such services and make such offering.

The contents of this report are not intended, and should not be construed as a solicitation of customers or business in any jurisdiction in which PI Financial Corp. is not registered as a dealer in securities, including the United States of America. The information provided in this report is not intended for distribution to, or use by, any person or entity in any jurisdiction or country including the United States of America, where such distribution or use would be contrary to law or regulation or which would subject PI Financial Corp. to any registration requirement within such jurisdiction or country. Any distribution or dissemination of this report in any other jurisdiction is strictly prohibited.

For further disclosure information, reader is referred to the disclosure section of our website.