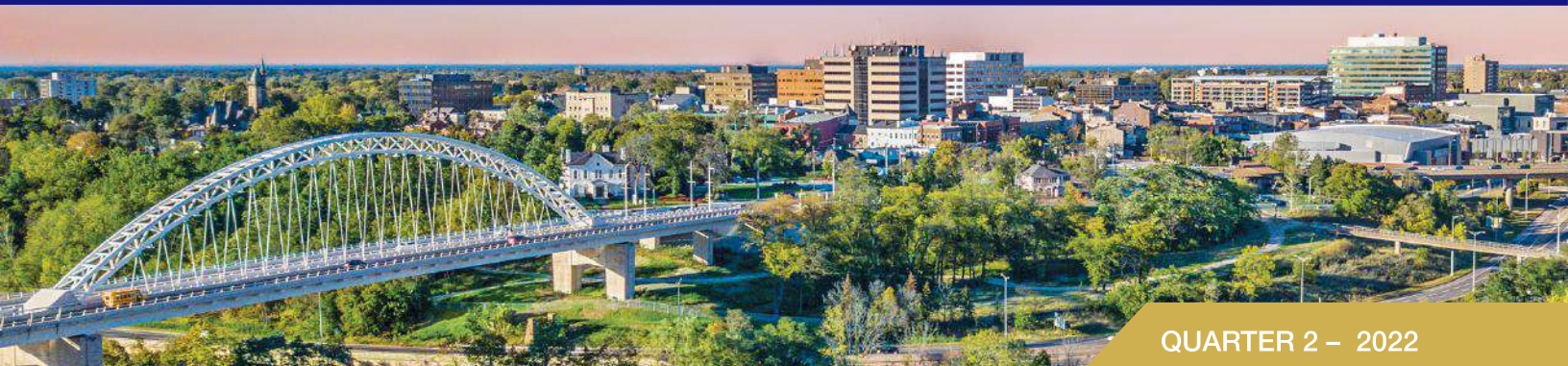




# InTouch

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QUARTER 2 – 2022

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## Our customized services include:

- Retirement Income Planning
- Investment Management
- Asset Planning
- Wealth Protection
- Risk Management
- Tax Planning
- Tax Preparation & Filing

**BASIC**  
FINANCIAL SERVICES INC.

Welcome to the second issue of In Touch for 2022. We hope this issue provides you with valuable information, which will allow you to make strong financial decisions.

## What's Happening

After 2 years of the pandemic, we are thrilled to see many smiling faces in our freshly painted office! You are welcome to visit us without your mask in the office. We would like to extend an understanding for those who would like to continue wearing a mask while visiting us. We understand and support everyone's individual choice, please just let us know your preference when you arrive.

The RRSP contribution season came as quickly as it went. Tax season is in full swing, with Graeme and team working hard on returns before the May 2<sup>nd</sup> deadline. For anyone who wishes to use our services to file their tax return, please reach out or drop/email your tax documents to Sabrina.

We are painstakingly ensuring all planning / tax strategies are incorporated for your benefit, which may include:

**1. Review any immediate tax savings opportunities while we file your return.**

- 2. Looking at ways to potentially help reduce your Lifetime Tax Bill.**
- 3. Understanding all government benefits and how you may maximize each - OAS, age credits, pension credits, medical credits, and tax brackets to name a few.**
- 4. Identify any income splitting / sharing opportunities.**
- 5. Ensure your investments are properly allocated for tax minimization.**

As part of our Giving Back Initiative, Basic Financial Services donated some time and money to L'école Élémentaire L'héritage to help the school build a much needed play structure for children aged 4-6. The structure will help children develop spatial awareness, develop motions that require both large and small muscle groups and will help develop balance along with hand-eye coordination. All of those skills are essential in childhood development. We are very blessed and feel giving back to our community is of great importance.

A number of new clients have joined us this quarter and we would like to thank all of you for providing referrals and introductions to your family, friends and co-workers. We love what we do and appreciate the amazing support from all of you.



## Market & Economic Update

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On the heels of increased inflation of last year, in January the Bank of Canada (BoC) and Federal Reserve Bank in the USA both signaled interest rates will increase in 2022. The BoC was the first to move on March 2<sup>nd</sup>, increasing its rate by 0.25% up to 0.50%. Many expect the BoC rate to increase to 1% - 1.5% by the end of the year, however many factors will influence these decisions.

To put things in perspective, the Bank of Canada rate was 1.75% on March 2, 2020 (just before the Covid Pandemic). Essentially the BoC would be bringing rates back to pre-pandemic levels. How does this affect you? Most notably, if you hold a Variable Rate Mortgage or Line of Credit, these have been affected immediately as all lending institutions increased their "Prime" rate 0.25%, lockstep with the BoC increase. Subsequently, we have rates on Savings Accounts raise slightly with the recent rate increase.

Similar to the rate increases of 2018, the equity markets dipped in January and February on the expected rate announcements. On the writing of this, the Canada Market (S&P / TSX) has rebounded nicely and is up 3.57% year-to-date. The tech heavy US S&P 500 remains down 6.85% year-to-date.

Mark Schmehl, who manages the active Canadian and US portion of our Core & Explore Portfolio, feels "there is a drastic difference today from the recent 7-year bull market that was focused on hyper-sensitive growth. What he's been doing for the past 12-months is selling tech and buying resources (gas, oil, minerals, gold) in the portfolio. Today the portfolio is 70% Value stocks and 30% Growth stocks, almost a complete turn around from 2021."

The recent conflict in Ukraine has increased short-term volatility in markets, with disruption in Russian energy exports contributing to a rise in energy prices. We have all seen the immediate affects at the Gas pumps, with gas reaching almost \$2.00/liter at one point. While markets reacted with restraint to the invasion of Ukraine, Fidelity's geopolitical risk analyst, David Bridges, says investors shouldn't rule out higher volatility in the days and weeks to come. We will

monitor this situation closely and advise on any adjustments if required.

I would tend to agree with both Mark and David. Some of the inflation we are seeing is transitory (short-term) and some is here to stay (longer-term). Short-term inflation and lack of supply and increase in demand will boost energy, commodities, and cyclicals which is why we have seen with a strong Canadian Market so far this year.

I have attached what I call the "Quilt Chart" below (reminds me of a quilt). This chart shows the best performing markets from best to worst each year. What this chart says to me is – from year to year, we are unsure which singular market / sector / asset class will have the best performance, therefore it is paramount to stay diversified.

Until next quarter.

Sources:

Quilt Chart: <https://www.rbcgam.com/en/ca/learn-plan/investment-basics/how-to-diversify-across-asset-classes/detail>  
<https://www.bankofcanada.ca/2022/03/fad-press-release-2022-03-02/>  
<https://wowa.ca/bank-of-canada-interest-rate>  
<https://www.marketwatch.com/>  
<https://www.fidelity.com/Learning-center/trading-investing/ukraine-russia>

As always, please feel free to reach out if you have any questions, comments or would like to book some time to speak. We offer both face-to-face or electronic meetings via Zoom. If you feel the information above may be helpful to a family member or friend, feel free to share or visit our website [www.basic360.ca](http://www.basic360.ca)

Sincerely, your team!

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## Articles of Interest

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### Tax refunds: When to expect your refund

From: Canada Revenue Agency

#### How you file affects when you get your refund

The Canada Revenue Agency's goal is to send your refund within:

- 2 weeks, when you file online
- 8 weeks when you file a paper return

These timelines are only valid for returns that we received on or before their due dates.

Returns may take up to 16 weeks if you live outside Canada and file a non-resident personal income tax return.

The CRA may take longer to process your return if it is selected for a more detailed review. See [Review of your tax return](#) by the CRA for more information.

If you use direct deposit, you could get your refund faster.

Set up [direct deposit](#).

#### Why haven't you received your refund?

The CRA may keep all or part of your refund if you:

- owe or are about to owe a balance
- have a garnishment order under the Family Orders and Agreements Enforcement Assistance Act
- have certain other outstanding federal, provincial, or territorial government debts, such as student loans, employment insurance and social assistance benefit overpayments, immigration loans, and training allowance overpayments
- have any outstanding GST/HST returns from a sole proprietorship or partnership
- have a refund of \$2 or less

#### Interest on your refund?

The CRA will pay you compound daily interest on your tax refund for 2021. The calculation will start on the latest of the following three dates:

- May 31, 2022
- the 31<sup>st</sup> day after you file your return
- the day after you overpaid your taxes

For more information, see [Prescribed interest rates](#).

### Power Food: How to Choose the Right Foods to Pump Up the Protein in Your Diet

By Lisa Bendall



Ever feel like you're wasting away? You're right, as it might be a function of age. Around the age of 50, our muscles start losing mass – about one or two per cent a year, according to some estimates. This increases to three per cent after age 60. "It's a normal part of the aging process. We're all going to lose muscle," says Dr. Carla Prado, director of the Human Nutrition Research Unit and associate professor at the University of Alberta. "But there's a threshold where you lose too much, and that becomes a big problem."

Sarcopenia – the medical term for age-related muscle loss – can affect balance and walking. The risk of falling goes up, too, as our strength goes down. And there's another problem. Muscle tissue is a sort of holding tank for amino acids, the building blocks for all kinds of functions in the body, including regulation of the immune system and tissue repair. Nine amino acids, known as "essential" amino acids, can't be produced by our bodies, so we can only attain them by breaking

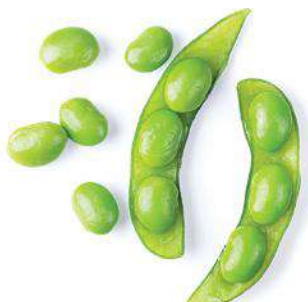


down protein in our diet. Unfortunately, emerging research suggests that the dietary guidelines we've relied on for years have been badly low-balling the amount of protein we need. That gap is even greater when we're older or coping with added stressors, like chronic disease, because we become less efficient at processing the nutrient. In other words, if your muscle mass is shrinking, so is your ability to fight off disease and recover from injuries.

But you can take steps at any age to preserve your muscle mass, even beef it up again. That's good news because it could extend your life. In fact, a 2018 study at the University of Michigan showed that in a group of more than 8,000 seniors aged 65 and over, those with greater muscle mass were outliving their weaker peers.

And, yes, muscle-building involves rolling up our sleeves and getting physical through weight-training and weight-bearing exercise. But the food we eat also plays a key role. "We need nutrition to fuel our muscles," says Prado. "You can exercise but if you're not getting enough nutrition, where are the energy and nutrients going to come from to build the muscle?" Depending on your age and health, you should aim for one to 1.5 grams of protein per kilogram of body weight – not the 0.8 recommended by Health Canada, which hasn't been updated since 2005. If you're a senior with a health issue who hits the scale at 59 kilograms (130 pounds), for example, you might need as much as 88 grams of protein daily.

Here, seven power foods that can improve your muscles and your odds for a longer, stronger life.



## 1. Edamame

The Bonus: a source of dietary fibre

You can get all your amino acids as a vegetarian, just as long as you're not a picky eater. You need a varied diet since most plant-based proteins are not complete. An

exception is edamame and other soybean products like tofu. Edamame is particularly high in leucine, an important amino acid that acts as a sort of "on" switch for your muscle factory. In addition, edamame provides dietary fibre, which brings its own benefits — after all, it's hard to focus on bench-pressing when you're feeling bloated.

## 2. Chicken Breast

The Bonus: an amino acid power house

Meat is powerfully high in protein (one chicken breast contains 31 grams). Plus, as an animal product, it's a complete protein source. That means it contains all nine essential amino acids in one tidy, oven-roasted, rosemary-sprinkled package. "Meat should not be avoided as long as it's lean," says Prado. Eat red meat in moderation and avoid processed meat as much as possible, as these are high in saturated fats and sodium.

## 3. Plain Greek Yogurt

The bonus: a vitamin D and calcium fix

Greek yogurt is strained during production, so it's more concentrated than regular yogurt and thus packed with protein. You'll get 11 grams from a half-cup serving. Dairy also contains calcium and is fortified with vitamin D, two more nutrients that are necessary for muscle health. But read your labels, yogurt lovers, because straining it can lower the calcium content, and not all producers refortify to make up for it. Plus, a plain yogurt touted as lower in fat could be diluted and have less protein.

## 4. Salmon

The Bonus: a chronic inflammation fighter

Salmon has 24 grams of protein in a 100-gram serving. And it contains omega-3 oil, another nutrient our muscles rely on. Fish oil helps to control chronic inflammation, one of the factors that can speed up muscle loss. It also helps your body respond properly to the hormone insulin, lowering your diabetes risk and, as it turns out, providing one more piece in the muscle puzzle. "If you're more sensitive to insulin, you can build more muscle mass," explains Prado. In a recent paper in the *Journal of Cachexia, Sarcopenia and Muscle*, she and her colleagues reviewed previous research papers demonstrating that omega-3 fatty



acids helped cancer patients preserve muscle mass and improve muscle quality as they underwent treatment.

## 5. Walnuts

The Bonus: the nut that packs the most punch

Nuts such as almonds, pistachios and cashews can be a savoury source of protein. And many types, though not all, contain omega-3 fatty acids. The walnut stands apart as an MVP for your muscles. It provides a high amount of omega-3 fat compared to other nuts while also delivering three grams of protein for every 10 walnut halves.

## 6. Eggs

The Bonus: loaded with omega-3s

Breakfast for dinner! This complete protein is easy to digest and can also be a source of omega-3 fats. (And although eggs contain cholesterol, that doesn't mean they raise our cholesterol.) But for best results, you should eat the whole egg, not just egg whites. Otherwise, you may be missing out on some of the muscle-boosting benefits: a 2017 study of men at the University of Illinois found a 40 per cent greater muscle response after workouts when protein was consumed from entire eggs, compared to only the whites. We know from other studies that the difference doesn't come from the fat. Rather, the researchers concluded that it's best to eat this protein in its original natural form.



## 7. Whey Protein

The Bonus: the best way to supplement

We can't stress enough that the makings for muscle-building should come from whole foods as much as possible. "The benefit is you get all the other nutrients that the foods provide," says Prado.

But if you're not getting enough protein from your diet alone, she adds, it's not a bad idea to consider supplementation. While there are lots of high-protein products on the market, not all of them perform when they're put to the test. A new study from Hamilton's McMaster University shows more muscle gain in older women who take whey protein, a powder extracted from dairy. And because it's a powder, tossing it into more than just a smoothie is easy. "You can add it to foods such as soups and shakes," says Prado. Thus, it's another promising way to power up.

## It's More Than What You Eat

Move it, even from the comfort of your living room

"Physical distancing is important, but exercise is also really important," says Dawn Bowdish, an immunity and infectious disease expert at Hamilton's McMaster University. If you are able to go out and take a walk, and also get some of that vitamin D naturally, do it because being sedentary is particularly problematic for older health, she adds. "So, although it's a huge challenge to social distance, especially if you live in an apartment where getting down on the elevator might be a real challenge, work exercise into your life, even if it's just doing weights [even while seated] or squats at home."

Marching on the spot while watching TV – and chores around the house count, too. Garden, keep up, spring cleaning into summer, washing the windows – you get the picture.