

InTouch

Basic Financial Services Inc. | Sterling Mutuals Inc.
(905) 937-0204 | www.basic360.ca



QUARTER 2 – 2024

Table of Contents

- P1** What's Happening
In the Community
Market & Economic Update

- P3** **Article of Interest:**
Testing the Waters: 5 Factors
to Practice Retirement Before
Taking the Plunge

Our customized services include:

- Retirement Income Planning
- Investment Management
- Asset Planning
- Wealth Protection
- Risk Management
- Tax Planning

BASIC
FINANCIAL SERVICES INC.

STERLING
MUTUALS INC.

Welcome to the second issue of In Touch for 2024. We hope this issue provides you with valuable information, which will allow you to make strong financial decisions.

What's Happening

We had a busy start to the second quarter with wrapping up the tax season and spring reviews. Things are slowly starting to wind down in terms of client meetings. We are however continuing to stay abreast of what's happening with our fund managers via seminars and the general landscape of the markets.

A few 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.

In the Community

In our last issue, we mentioned the 2nd Annual In The Round fundraising event put on by The Education Foundation of Niagara. We attended the event that was headlined by Niagara's very own Tim Hicks in Niagara On The Lake. It was a successful event that raised approximately \$80,000 which will directly benefit DSNB students that

are in financial need. The Education Foundation of Niagara is a registered non-profit charity that supports DSNB students by engaging the community to provide needed funds and resources where government funding is not available.



Market & Economic Update

2024 is off to a hot start in the first half of the year. With June coming to a close, many investors have been pleasantly surprised with their portfolio to date. Bad news and noise continue to filter through the markets as always, but a diversified portfolio has proven to perform once again. It has however been a tale of

InTouch

Basic Financial Services Inc. | Sterling Mutuals Inc.
(905) 937-0204 | www.basic360.ca



two tapes for the Canadian and US or International markets.

During the first half of 2024 (January 1st to June 30th) the Canadian market (TSX) is up 4.41%, the MSCI Europe is up 7.32% and the US Market (S&P 500) is up 18.85%. This is an even better start than the first half of 2023 which turned out to finish very strong.

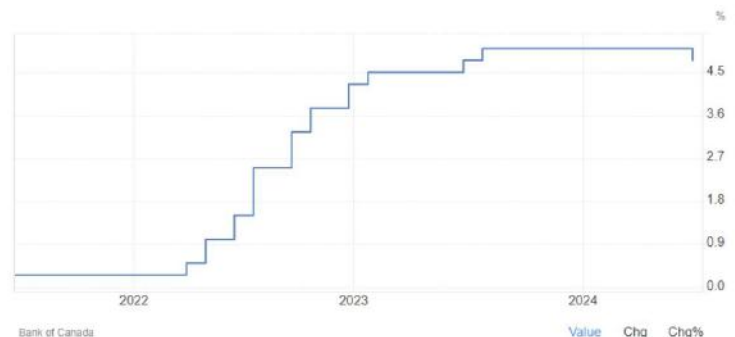
While growing, the Canadian market continues to lag behind the US market and International as well. This is similar to what occurred in 2023. The risk of an economic slowdown and potential recession talks have subsided as of late with most market analysts anticipating more growth.

What drove stocks up in the first half of 2024? Firstly, optimism over artificial intelligence continues its dominant stretch with industry darling Nvidia leading the pack. Shares of the chipmaker jumped 149% this year. Its valuation topped \$3 trillion for the first time in June, when Nvidia was briefly the world's largest public company. Also, companies in information technology and communication services fueled gains. Those sectors house a handful of tech behemoths including Microsoft Corp. and Meta Platforms Inc. Information-tech stocks have advanced 28% in 2024 and communication services shares are up 26%.

Utility stocks have risen by 7.6%, as investors bet they will benefit by providing energy to data centers tied to the ascent of AI. Real estate is the lone sector with losses in 2024, posting its worst first half ever relative to the broad index since it was created in the late-1990s, data compiled by Bloomberg show. High interest rates have hurt the sector.

A strong first-half in the stock market has historically boded well for the rest of the year. Whether that will be the case again is anyone's guess, considering wild cards on the horizon.

The Bank of Canada has stated many times it is focused on company earnings, the job market and inflation. With inflation reducing and consumers spending less due to higher interest rates than recent years... was the first to cut interest rates down .25% to 4.75% at it's recent June meeting. Uncertainty around further cuts moving forward, political changes across the globe from the United Kingdom, France and the US presidential election in November — which may move stocks haywire — is one of them.



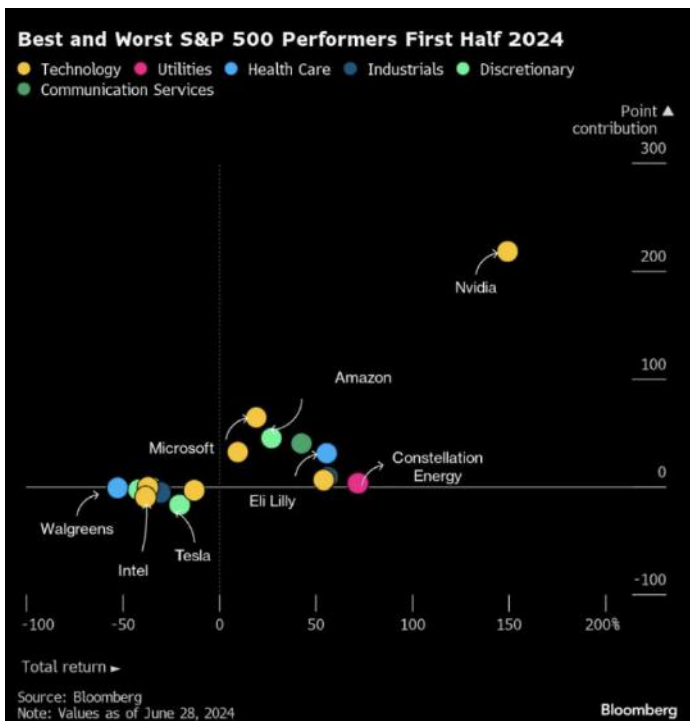
Looking Ahead – I've discussed over the past couple of years that markets, and our economies will react strongly to inflation growth/decline and interest rate hikes/cuts. This has remained true in 2024. As the Bank of Canada likely continues on its slow rate decreases, this should help provide relief for businesses taking on debt and consumers struggling with higher interest rates. From my perspective, it's a good time as any for us to be focused on our diligent approach to managing your hard-earned money while trying to find additional opportunities.

Sources:

<https://www.cnn.com/2024/07/01/investing/premarket-stocks-trading-first-half-2024/index.html>

<https://finance.yahoo.com/news/where-stock-market-headed-wild-120000096.html>

<https://tradingeconomics.com/canada/interest-rate>



Source: Bloomberg
Note: Values as of June 28, 2024

Bloomberg

InTouch

Basic Financial Services Inc. | Sterling Mutuals Inc.
(905) 937-0204 | www.basic360.ca



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

Sincerely, your team!

Article of Interest

Testing the Waters: 5 Factors to Practice Retirement Before Taking the Plunge

By Cody Weber, CFP®, RRC

If you've been an avid reader of these articles you'll have a better idea of the technical approach to retiring: how do you budget properly, where does it come from, etc. As any life change, Retirement isn't any different; it is a significant milestone in life. Often marking the end of a career and the beginning of a new chapter. For many, it's a decision filled with excitement, anticipation, and just maybe... a hint of anxiety. After all, retirement isn't just a financial change; it's a lifestyle transition. To ease into this new phase, more and more Canadians are considering testing out retirement before fully committing. But how? It sounds great in theory but with limited vacation weeks and an uncertainty about how it could look.... what factors should pre-retirees consider before taking the plunge?

The Concept of Practicing Retirement

The idea of testing retirement waters isn't entirely new, but it's gaining traction as people seek more flexibility and control over their lives. Essentially, practicing retirement involves taking extended periods off work to simulate what life might be like post-retirement. It often looks like anywhere from 2 weeks to several months doing WHAT YOU WANT TO DO. Whether that's taking the trip you and your spouse have always dreamed of, or enjoying more time with loved ones. This trial period can provide valuable insights into various aspects of retirement living, helping give you make more informed decisions.

Factors to Consider Before Practicing Retirement

1. Financial Readiness

Personal Finance is more personal than it is finance. Sorry for the tongue twister but it's true. What you wish TO spend or CAN spend... is entirely different than your neighbour, friends, or family. It's important to be prepared financially for a successful retirement. I am a numbers guy so yes, the numbers matter. Before testing retirement, you should have a retirement income plan created for your unique situation. For example if your income plan can allow for spending \$7,000 a month, test it out and ensure you can live your desired lifestyle on that \$7,000. Be certain your desired lifestyle is possible based on your retirement income plan and not a traditional "steady paycheck". Creating an income plan for the trial period can offer a glimpse into what your retirement may look like.

2. Health and Wellness

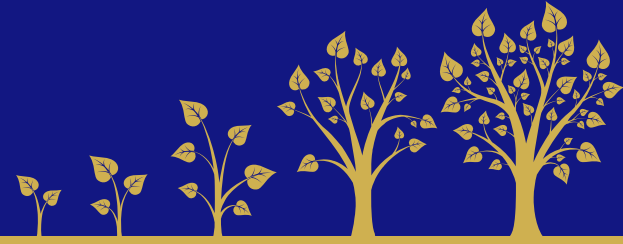
Retirement isn't just about financial stability; it's also about physical and mental well-being. You may find retirement provides an opportunity to focus on health and wellness routines without the stress of work. Ensuring you are and stay healthy during retirement will make it that much more enjoyable. As a local Niagara native, hiking has become part of who I am and how I spend my time. You should consider how to stay active, socialize, and what your plan is if health issues arise during retirement. Your trial period will give you the chance to explore different activities and habits that promote a healthy lifestyle.

3. Social Connections

One aspect sometimes overlooked in retirement planning is the social side. Who do you want to spend time with now that your time is your own? Catching up with the girls or golfing with the boys? Your time is YOURS! Do with it what you wish. You're shifting from work which provides a built-in social network and losing that can lead to feelings of isolation or loneliness. Before retiring, plan for your social time and consider what relationships are important to you. It's often recommended to have friends across different generations. Why? Different perspectives and health from others can give you ideas for a more fulfilling life.

InTouch

Basic Financial Services Inc. | Sterling Mutuals Inc.
(905) 937-0204 | www.basic360.ca



4. Hobbies and Interests

Retirement offers the freedom to pursue passions and hobbies that may have been neglected or cast aside during your working years. Explore your interests and hobbies during the trial period to see if they provide the fulfillment and purpose you're looking for. You may find that things have changed and new activities could excite you like pickleball or gardening or going for walks in nature.

5. Emotional Preparedness

The last factor to consider as you go through a major life transition is the mix of emotions it can bring up. From feeling excited to uncertain and maybe even a loss of purpose. Retirement is new; and some of us struggle with change. Before practicing retirement, reflect on how ready you are emotionally for this new chapter. You may find your identity will change and find new sources of purpose and meaning outside of work. Be open with your loved ones and family members. Seek support from peers or professionals as you navigate this emotional journey.

Conclusion

To wrap up, testing out retirement before making the final decision can be a valuable step in the retirement planning process. It gives you the chance to assess various factors, from financial readiness to emotional preparedness, and make adjustments as needed. By taking the time to practice retirement, you can enter this new phase of life with confidence, knowing you have explored aspects of what retirement living entails. It may confirm you are ready to take the plunge or it may give you some other aspects to consider further. This is a healthy and proactive way to test the waters. Either way, it's okay and you'll have a better idea of your next step. Til next month, take care and enjoy the beautiful summer weather. Patio season, woo!

DISCLAIMER:

The contents of this letter does not constitute an offer or solicitation for residents in any other jurisdiction where either Cody Weber and/or Sterling Mutuals is not registered or permitted to conduct business. The opinions expressed are those of the authors and do not necessarily reflect the views or opinions of Sterling Mutuals Inc. Mutual funds provided through Sterling Mutuals Inc. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus carefully before investing. Mutual funds are not guaranteed, their values fluctuate frequently, and past performance may not be repeated.