InTouch

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

QUARTER 2 – 2026

Table of Contents

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 Q2 edition of In Touch for 2026. 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 as we wrapped up tax season and completed our spring reviews. Client meeting activity has begun to slow as we move into the summer months. Throughout this period, we remain focused on market developments and work closely with our portfolio and fund managers to ensure they are making thoughtful adjustments aimed at positioning your investments for long-term success and keeping your money working effectively on your behalf.

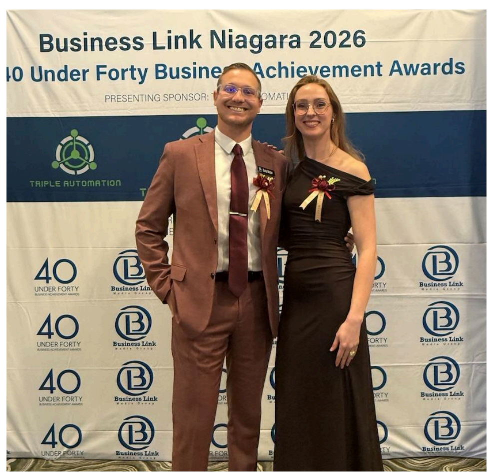
As we move into the summer season, our team remains committed to supporting your financial needs while enjoying the opportunities that summer brings. We continue to work diligently on your behalf and are dedicated to providing the high level of service you have come to expect.

We hope you have the chance to enjoy the warmer weather, spend time with family and friends, and make lasting memories. Wishing you a safe, relaxing, and enjoyable summer.

In the Community

On May 28, 2026, more than 350 guests gathered at the Holiday Inn & Suites St. Catharines to celebrate Niagara's outstanding young business leaders at the 23rd Annual Niagara 40 Under Forty Business Achievement Awards Gala. The evening brought together entrepreneurs, professionals, alumni, and community leaders to recognize 40 exceptional individuals whose leadership, innovation, and dedication continue to shape Niagara's business community.

We are pleased to announce that Cody is a recipient of the 40 under forty award! Over the years, Cody has demonstrated professionalism, dedication, and exceptional work ethic. His sustained commitment and contributions make him truly deserving of this award.



Market & Economic Update

Q2 2026: Strong Markets Despite Constant Headlines

If you felt like the markets and economy are struggling and the sky is falling due to concerning news over the past three months, you aren't alone.

Between April and June, we have navigated:
- An ongoing war and geopolitical tensions in the Middle East namely Iran
- Trade negotiations and tariff uncertainty
- Inflation concerns and questions around the direction of interest rates
- Volatile oil prices

With so much uncertainty, it would have been easy to believe markets were headed lower. We have heard several comments of investors thinking their investments had struggled recently. Instead, the exact opposite happened…

Markets continued to reward patient investors who tuned out the noise

Despite the constant headlines, global equity markets finished the first half of 2026 with one of their strongest performances in years.
- **S&P 500**: up approximately **12%** in the first six months of the year, its strongest first half since 2020.
- **NASDAQ**: up more than **15%,** driven largely by continued investment in Artificial Intelligence, semiconductors and technology companies.
- **Dow Jones**: posted its best first-half performance since 2021 – **roughly 12%.**
- **S&P/TSX Composite**: also delivered strong returns of **nearly 10%** as financial companies (banks), industrials and select resource companies grew.

What drove the strong markets?
- Corporate earnings continued to come in stronger than expected. Ie. companies are growing and demand is out there for their products and services.
- Artificial Intelligence remained one of the biggest investment themes globally.
- Investors became more optimistic that geopolitical tensions would not derail the global economy.
- Businesses and consumers proved far more resilient than many economists expected. Keeping spending higher.

Markets reminded us once again that they often look **6-12 months ahead,** rather than reacting solely to today's headlines.

Canada continues to face challenges but opportunities are out there

Our economy has continued to grow at a slower pace than the United States, with consumers feeling the effects of higher borrowing costs and slower housing activity.

But… on the positive side
- The Bank of Canada has held interest rates giving us stability.
- Trade diversification outside the United States continues to improve.
- Employment has remained resilient.
- Canadian companies continue to benefit from demand in financial services, infrastructure, energy and technology.

The biggest lesson from the first half of 2026?
If you had invested based solely on the news, you likely would have expected poor market returns. Instead, markets reached new highs. This is exactly why we don't build portfolios around headlines. We build them around your long-term goals.

Volatility is normal.
Uncertainty is constant in today's world.
Successful investing comes from having a disciplined strategy and sticking to it.

What this means for Basic Financial: Our funds view and outlook
That is why our approach remains unchanged:
- Stay diversified.
- Focus on quality investments.
- Rebalance when appropriate.
- Ignore short-term noise.
- Keep your financial plan at the centre of every investment decision.

History continues to show that patience is one of an investors greatest advantages.

As always, please feel free to reach out if you have any questions, comments or would like to book some time to review your specific situation. We offer both face-to-ace and virtual meetings via Zoom. If you feel the information above may be helpful to a family member or friend, feel free to share or direct them to our website at www.basic360.ca.

Sincerely, your team!

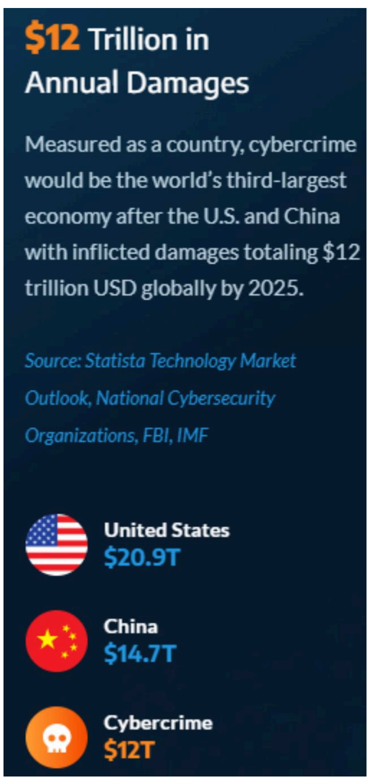
Article of Interest

How to Protect Yourself and Your Financial Information in the Age of Artificial Intelligence

By Cody Weber, CFP®, RLP®, RRC®

I'm going down the rabbit hole now, last months blog got me more interested in AI than ever before and this is a long blog but a necessary one. Today we discuss some tips for protecting yourself and your financial data in our rapidly evolving world. As AI is quickly becoming part of everyday life for businesses and humans – creating our grocery list, helping research for a vacation and the many other uses… while it helps, it also creates new risks.

Some of those risks include a rise in sophisticated scams, fake emails, hacked accounts, impersonation attempts, and AI-generated fraud targeting individuals and businesses. Scammers are getting smarter and it's important to be cautious.



These scams are all part of cybercrime, which is any illegal activity that uses a computer, digital device, or computer network as its primary target or tool to commit an offense. The "business" behind cybercrime is one of the largest in the world and I'm sure all of us can name loved ones that have been affected. Yet, most people still underestimate how massive this issue is….

Some estimates place **global cybercrime damages in the trillions annually** – making it the 3rd largest economy in the world behind the United States and China. I was speechless when I found that out. And it's still crazy as I write it out for you.

And the worst part???
Most experts believe actual losses are far higher because many scams go unreported due to embarrassment or lack of awareness.

Retirees and older adults have become one of the most heavily targeted groups when it comes to fraud and cybercrime. Why? Scammers follow the money and the opportunities. Many retirees have spent decades building savings, pensions, investments, and home equity. Criminals know this so they target you directly. New apps, payment methods, artificial intelligence tools, and communication platforms seem to appear every month. While many retirees are highly tech-savvy, scammers often assume older adults may be less familiar with the latest online threats.
Scammers also understand human emotions. They know that a grandparent will do almost anything to help a grandchild in trouble. They know that a retiree who has worked hard to build financial security may react quickly to a warning that their bank account has been compromised.

They know that fear, urgency, and concern for loved ones can override logic in the heat of the moment. That's why many scams are designed to create immediate emotional pressure:
"Your grandson has been arrested and needs bail money."
"Your bank account has been compromised. Act now and click here"
"The Canada Revenue Agency requires immediate payment to avoid penalties."

The good news is that awareness remains one of the best forms of protection. Scammers succeed when they catch people off guard. They struggle when people slow down, verify information, and involve trusted family members or professionals before making decisions.

InTouch

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

If there's one lesson, I'd like you to remember, it's this: any time someone pressures you to act immediately, send money, click a link, or provide personal information, treat it as a warning sign and take the time to verify before responding.

Including that key takeaway, here are 7 tips to help you protect yourself and your financial data:

1. Slow Down When Something Feels Urgent

If an email, text, or phone call pressures you to act immediately, PAUSE before responding. Verify the request through a trusted source. A legitimate financial institution or your advisor will never be offended if you take extra time to confirm instructions. One of the best protections today is simply slowing down before reacting.

2. Double Check the Email Address

One of the most common scams today is email impersonation. Sometimes it can be hard to identify the sender given the "title" or "name" may show up as someone you know - your advisor, your bank, or a family member.

The display name may say: "John Doe" or your bank's name or another trusted contact. But scammers are counting on people not checking the email address behind the name.
For example: john.doe@manulife.com might become john.doe.clients@gmail.com

See the difference? One is legitimate and the other could have been made by anybody.
Keep an eye out, there may be subtle changes like:

- replacing letters with numbers
- adding extra characters
- or slightly misspelling domains

These fraudulent emails are becoming increasingly sophisticated and convincing. Before responding to sensitive requests:
a. SLOW DOWN
b. Check the sender's full email address
c. Call the person whom you believe is emailing you… on their trusted number and ALWAYS verify anything involving money, banking, passwords, or personal information.

3. Don't Click Links in Unexpected Emails or Texts

This is one of the simplest cybersecurity habits. Do not click links from:

- unexpected emails
- suspicious text messages
- pop-ups
- or messages asking you to "log in immediately."

Even if the message looks legit, the link may direct you to a fake website designed to steal your information. Instead:

- go directly to the official website yourself
- use saved websites (bookmarks)
- or call the institution or advisor directly

A good rule of thumb: If you didn't expect the message, don't click the link.

4. Caller ID can be a LIE

Many people assume that if their phone displays a familiar name or number, the call must be real. Unfortunately, scammers can now alter caller ID information to make it appear as though it is that person.

Never provide sensitive information on an incoming call. Hang up and call the person or institution back using a trusted number you already have saved or verified as their own.

5. Be Thoughtful About What You Share Online

Many AI scams are beginning with publicly available information like birthdays, travel details, family names, employer information, etc. Be cautious about what you have online or what others share about you. I recommend doing a look through your online accounts to see what is out there and review if you'd like it available to the public.

6. Use Strong Passwords and Multi-Factor Authentication

While online, here are a few simple habits can improve your security:

1. use unique passwords for financial accounts
2. avoid reusing passwords across websites
3. enable multi-factor authentication whenever possible – ideally an authenticator app
4. keep devices updated
5. and avoid using public Wi-Fi for sensitive activity
6. please don't share your password

7. Report Concerns Promptly

It's been mentioned many times but if you suspect fraud or if something feels off, contact your advisor or firm right away.

That is all for my tips. Now let me dive into some of ways we are protecting our client information.

What We Do to Help Protect Client Information

We believe in taking proactive steps to reduce risk and safeguard our client information as best we can. Some of the protections and procedures we have in place include:

- email monitoring and security filtering
- virtual private networks (VPNs) for secure access
- secure internal systems and password protocols
- backup support from a trusted local IT company
- policies and procedures designed to help protect sensitive client data
- and verification processes for account and money movement instructions

What I mean by money movement instructions is if instructions arrive by email to withdraw $10,000 for your upcoming trip we will often follow up with a phone call to verify the request directly with you before proceeding. This extra step is intentional to help protect you.

Final Thoughts

Cybersecurity today is about slowing down, verifying information, and avoiding rushed decisions.
As an advisor, part of my role is not only helping you make smart financial decisions but also helping protect the information connected to your financial life.

AI is going to improve many parts of our lives. There's no question about that. But it also means we all need to become more aware, cautious, and proactive when it comes to protecting personal information and financial security.

I hope those tips helped to give you some comfort and ways to protect yourself. As always, I am here to help. If you have any questions or want to chat privately – message me on LinkedIn or email me at cody@basic360.ca.

Sources:
https://www.fbi.gov/news/press-releases/fbi-releases-annual-internet-crime-report
https://arcticwolf.com/business-of-cybercrime/
https://cctx.ca/cyber-facts/