

InTouch

Basic Financial Services Inc. | Sterling Mutuals Inc.
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QUARTER 2 – 2023

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Our customized services include:

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

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Welcome to the second issue of In Touch for 2023. We hope this issue provides you with valuable information, which will allow you to make strong financial decisions.

What's Happening

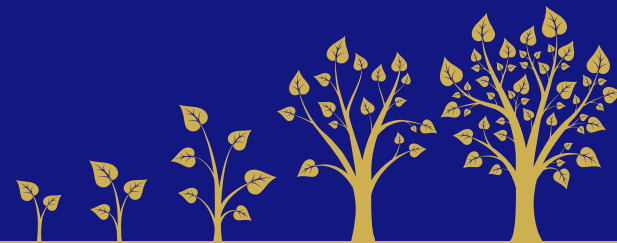
As we roll into summer, we have been quite busy here at Basic Financial. We have been attending and meeting with our investment managers and other partners to ensure we are staying up to date on everything markets, investments, financial planning, taxes and interest rates. We work hard to ensure everyone on your team is trained and knowledgeable regarding any new changes that may benefit you. Having said that, members of your team will be taking some much needed time off this summer to spend time with family, friends, traveling and of course, golfing! We have started our "summer hours" where the office will close at 4pm so staff can take advantage of our beautiful weather with our families and friends. Rest assured our office is open all summer should anything come up from our end or your end. We are of course available after hours and Saturdays by appointment.

As part of our Giving Back Initiative, we were honoured to participate in this year's Beatties Bigger Together Golf Classic. This particular tournament is one of the biggest fundraising events that supports Big Brothers Big Sisters of Niagara. As most of you know, Cody has been a Big Brother for many years now, so this was a really nice way for Basic Financial to support a much needed, local program. Big Brothers Big Sisters provides care and comfort to the community it serves, especially the children. For more information on how you can help such a deserving organization, please visit niagara.bigbrothersbigsisters.ca/



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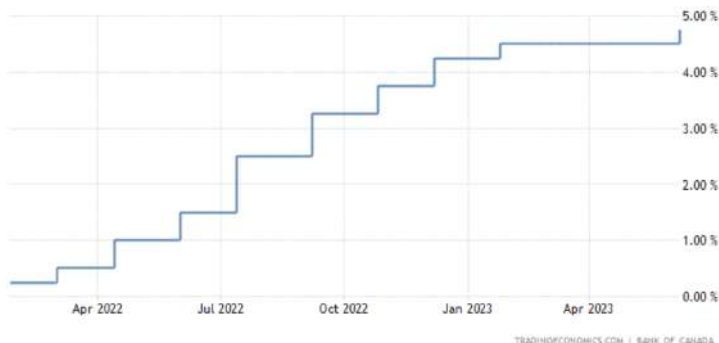


Market & Economic Update

With the first half of 2023 in the rear-view mirror, markets have been eventful to say the least. With artificial intelligence stealing the show, along with commodities softening and crypto making a comeback, we've been pulled in many directions. Saying this, markets continue to chug along with strong performance - the Canadian market (TSX) is up 3.97%, the MSCI World is up 11.45% and the US (S&P 500) really bouncing up 13.34% in Canadian Dollars terms. Our team and Fund Mangers have helped capture much of this growth within your portfolio.

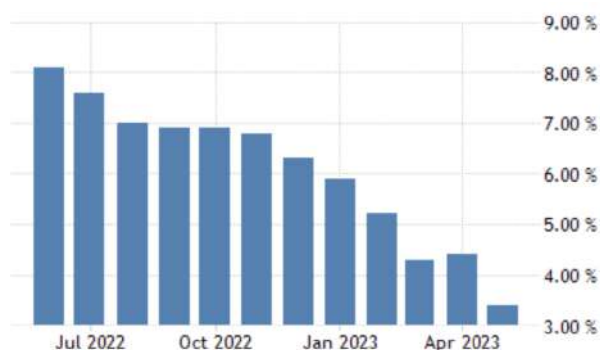
The fear of recession seems to be fading - In a recent Central Bank of Canada survey of Canadian business showed fewer firms are expecting an outright recession compared with three months earlier. Strong earnings, large job vacancies and the stock market pushing ahead are all key drivers to these fears subsiding.

Interest rate increases which were set ablaze by central banks in 2022 have seemingly flatlined this year. The current Bank of Canada rate which started the year at 4.25% is currently sitting at 4.75%. We have seen 2 quarter-point increases this year, with the expectation of perhaps no future increases for the remainder of the year. In a recent post, many economists guess there is a 50/50 chance for another rate hike in 2023. Honestly, I read this as "we are not sure what will happen."



Seemingly we are no longer talking about major supply chain constraints. These pandemic era issues look to be working themselves through the system, which in-turn should hypothetically reduce inflation. The Canadian inflation rate for May was 3.4% - this means the basket of goods costs 3.4% more in May 2023 than May 2022.

This is the lowest level since June 2021 and down from 4.4% in April. As trends go, the costs of goods have started to grow less and less since the peak in June 2022. Once again, the Bank of Canada is trying to bring inflation down between 2%-3%. Let's see what the next half of the year will look like.



Launch of the FHSA

Canadians now have a new acronym to remember - FHSA (Tax-Free First Home Savings Account). Adding to the ranks of the RRSP, TFSA and RRIF, this account is geared towards first-time homebuyers in allowing them to save up-to \$40,000 "tax-efficiently" over a 5-year period. Over the next number of months, we will be reaching out if we feel the FHSA might be suitable for you. Stay tuned.

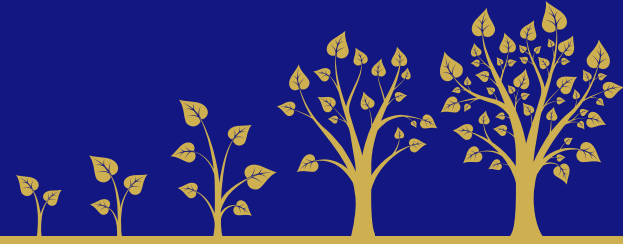
The outlook for the remainder of the year remains cautiously optimistic. With inflation cooling, interest rates stabilizing and job creation strong, we feel the economy and markets could see another bump in the second half of 2023. We will be continuously monitoring the markets to ensure you are well positioned moving forward.

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-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!

Sources:

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- <https://www.advisor.ca/news/economic/fewer-consumers-think-a-recession-is-likely-finds-boc/>
- <https://www.thenationalnews.com/business/markets/2023/07/01/how-global-markets-performed-in-first-half-of-2023/>
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Articles of Interest

How to live a rich life

A rich life isn't just about wealth. Here's how to align your finances with your values for true happiness.

By Shaun Maslyk, CFP



What does it truly mean to live a rich life? Is it all about accumulating wealth and assets, having expensive possessions and a lavish lifestyle? Or is there more to it than just the dollars and cents? In my "A Rich Life" column for MoneySense, I explore the essence of living a rich life, beyond just money and materialistic pleasures.

A Rich Life: it's about more than money

Firstly, let's acknowledge the importance of money in our lives. It's true that it provides us with the necessities of life and the resources we need, like shelter. But money cannot guarantee a life of satisfaction, inner peace and wisdom. Money cannot buy love, contentment and compassion.

Dr. Ted Klontz, a renowned expert in financial psychology, once said that we often try to use money to fight against insecurities and discomforts. But it's not an effective solution. We tend to run out of life before we realize it's not about the money and that money isn't everything.

Let's look at two real-world examples of this.

Does money make people rich?

Adolf Merckle, once Germany's wealthiest man with a personal fortune of USD\$12.8 billion, lost around USD\$3.6 billion in 2008. Despite remaining one of the five richest men in Germany, he was unsatisfied and wanted to regain his position. He made a series of risky investments to make up for the losses, ultimately losing almost everything and tragically ending his own life.

In contrast, Leonard Gigowski lived a modest life as a butcher and grocer in Milwaukee, Wis. He found happiness through his passions—ballroom dancing and pigeon racing. After he died at 90 years old, it was discovered that he left behind a USD\$13-million scholarship fund for the St. Thomas More High School, where he regularly visited and sometimes ate lunch with the students.

Gigowski is a true example of having lived a rich life; one that is fulfilling and true to him. Merckle appeared to have it all: Billions of dollars, deep knowledge of investing and a perceived power and influence that came with wealth. Yet, in the end, he suffered immense personal loss.

The difference between being driven by increasing wealth versus finding fulfillment in life is being true to oneself. These two examples demonstrate the importance of understanding the "human side of money" and aligning our financial decisions with our core values. (Also, what is your money story?)

7 ways to live a rich life without lots of money

Secondly, know that there are essentials for living a good life with things that money alone can't buy. Here they are:

1. **Purpose:** Having direction, motivation and a sense of satisfaction leads to increased happiness and wellbeing.
2. **Fulfillment:** Feeling content with your experiences and accomplishments can lead to a more meaningful life that's not solely dependent on material wealth or possessions.

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- Authenticity:** Being true to yourself and your values, which can result in a greater sense of self-awareness, confidence and satisfaction. This allows you to live a more genuine and purposeful life; one that's not solely defined by external factors like money or societal expectations.
- Gratitude:** Focusing on the positive and appreciating what you have can cultivate greater happiness, improved relationships and an optimistic outlook. It allows you to see beyond material wealth and find joy in the simple things in life.
- Compassion:** Genuine care and concern for others cannot be purchased with money.
- Wisdom:** A deep understanding of oneself, others and the world can help with decision making and empathy. It allows you to see beyond the pursuit of material wealth and focus on what truly matters for a fulfilling life.
- Contentment:** This is about being happy and satisfied with what you have, rather than constantly striving for more material possessions. This can lead to peace of mind, reduced stress and appreciating a meaningful life outside of material wealth and possessions.

What is a rich life?

A rich life is about much more than the accumulation of wealth and possessions. It is about discovering the deeper aspects of oneself and cultivating a life based on purpose, fulfillment, authenticity, gratitude, compassion, wisdom and contentment.

These are the essential ingredients that make a life truly rich, as well as fulfilling and satisfying. Money may provide the necessities of life, but it cannot guarantee a life of true happiness and inner peace.

By aligning our financial decisions with our core values and understanding the "human side of money," we can create a life that is truly rich in every sense of the word. Remember, the true richness of life comes from within, not from external factors such as money or material possessions.

More Evidence that Multivitamins May Curtail Memory Loss

By Zoomer.Health



Daily multivitamins are consumed by millions of Americans, and a large nationwide trial suggests they may help with slowing memory loss in people aged 60 and older.

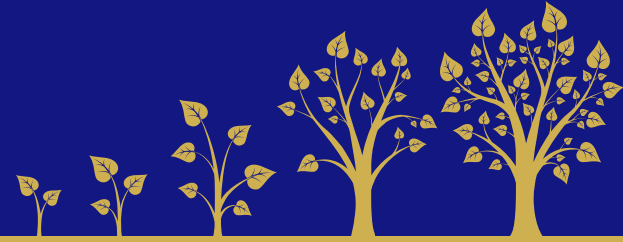
The study found that multivitamins may boost memory, as some participants ended up with 3.1 fewer years of normal, age-related memory loss. Their memories were effectively 3.1 years "younger" than those of the control, in other words.

This was the second such study of multivitamins within a larger body of research (COcoa Supplement and Multivitamin Outcomes Study (COSMOS)) to come to the same conclusion. COSMOS has enrolled 21,442 older people as part of investigations into the effects of cocoa supplements and multivitamins on cognition and the risk of cancer and cardiovascular events.

A collaboration between scientists at Brigham and Women's Hospital and Columbia University led the current research. The analysis involved over 3,500 elderly participants who took a daily Centrum Silver pill over the course of three years. This cohort had better memories by the end of the study period than those on the placebo treatment, as reported in the American

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Journal of Clinical Nutrition.

Co-author Adam Brickman described the effects as “very, very encouraging.”

“Cognitive change and memory loss are a top health concern for older adults,” he said. “And we don’t have many strategies to mitigate the changes that come with aging. So, it’s encouraging that a supplement can help address one of the main health concerns older adults have.”

Multivitamins’ General Utility

The NIH says that multivitamins are popular with older Americans, with 39% of people 60+ partaking. The official line is that you should get your nutrients from food unless you have a specific advisory from your doctor to take vitamins. They can fill in the nutritional gaps in our diet but may also trigger side effects at high doses.

The current evidence for multivitamins versus heart disease and cancer is “insufficient”, according to the U.S. Preventative Task Force. Similarly, Harvard Health has argued that much multivitamin use may be a waste that would be better spent on nutrient-dense foods like fruit, vegetables, whole grains, and low-fat dairy products.

Back to School

The study participants were required to complete routine assessments of memory and cognition over the three-year study period: word recall, recognizing new objects, and measuring executive control were part of the program.

The multivitamin group performed significantly better than the control group in immediately reproducing a list of words, keeping up that benefit for an extra two years of follow-up. The effect was more pronounced in those who had an underlying cardiovascular disease.

These findings are exciting researchers because, just like all other organs, the brain will decline without the necessary fuel. As a complicated machine, the brain needs diverse nutrients and minerals to work properly; for example, insufficient levels of vitamins B1, B12, and D are associated with cognitive decline.

Being able to fill in at least some of the gaps with multivitamins is big news if true because of how accessible they are.

The results of this new study are consistent with another COSMOS study published last year involving 2,200 older adults. A daily multivitamin boosted overall cognition, memory recall, and attention, and once again, the effects were stronger in participants with an underlying cardiovascular disease. Both studies were randomized placebo-controlled clinical trials, the research “gold standard” for determining the efficacy of a drug.

“There is evidence that people with cardiovascular disease may have lower micronutrient levels that multivitamins may correct, but we don’t really know right now why the effect is stronger in this group,” said Brickman.

Limitations and Future Directions

The researchers don’t yet know what ingredients within the multivitamins (A, B, C vitamins and zinc) were driving the results, nor is it clear whether the results could be replicated using other multivitamin brands.

“This particular brand was selected because it is commonly used in the U.S. and has a good quality and safety record,” explained co-author Howard Sesso to NBC. Sesso added that they had previously tested a similar Centrum Silver formulation, but they found no cognitive benefit.

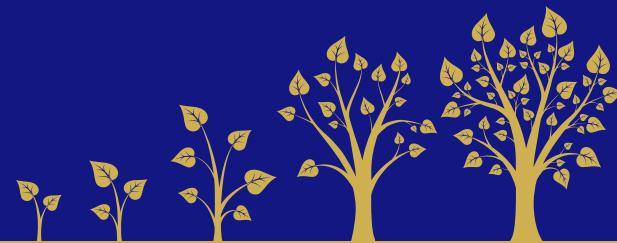
Experts have chimed in that prescribing multivitamins as a means to prevent cognitive decline won’t be happening just yet — longer studies are needed to confirm the results, although the current study does suggest multivitamins are harmless and potentially useful. Proper exercise and a healthy diet like the Mediterranean variation remain the preferred recommendation.

Another limitation is that, although the study included people of different races/ethnicities, socioeconomic statuses, and incomes, the participants had either finished or attended college, so the generalizability of the results may be impacted.

All that aside, the study does support growing evidence for the importance of nutrition for the aging brain. Digging in further to uncover what specific nutrients derive the greatest benefits in preventing cognitive decline may be the next step, according to the authors. “The finding that a daily multivitamin improved memory in two separate cognition studies in the COSMOS

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randomized trial is remarkable, suggesting that multivitamin supplementation holds promise as a safe, accessible, and affordable approach to protecting cognitive health in older adults,” commented co-author JoAnn Manson, chief of the Division of Preventive Medicine at Brigham and Women’s Hospital, in a press release.

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