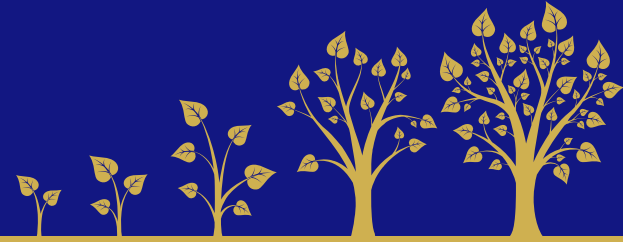


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QUARTER 3 – 2024

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

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Welcome to the third 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

The summer and fall months of the third quarter were quite steady for us. As a team, we had some much needed time off enjoying the summer weather, spending time with family and ramping up for the kids school year. We weren't doing as many client review meetings (not unusual in the summer as we can appreciate clients having bigger and better things to do in short few months of summer), but that doesn't mean we weren't busy. We stayed abreast of what was going on in the markets and made certain our portfolio and fund managers were trying to make positive moves to ensure your money is working hard for you. The summer is over and our Fall meetings have picked up and are in full swing. We have started once again to review financial plans before year-end to ensure the investments are best allocated and the correct Tax Bracket Management and Income Plans are in place. Making sure no government benefits are lost is also top-of mind. We're sure you can appreciate and understand the comment of "The White Board is in over-drive mode".

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

In the Community

Over the past few months, we were fortunate enough to help a few local charities bring awareness to our community. The first charity was a Big Brothers Big Sisters (BBBS) golf tournament. BBBS provides care and comfort to the community it serves, especially the children. The second charity was a Memorial Golf Tournament where the proceeds were donated to mental health programs focused on suicide prevention in our community. The last event was Kerry's Head for the Hills Trail Race in Support of BIAN on October 19th. The Brain Injury Association of Niagara is committed to empowering and maximizing the quality of life for individuals living with the effects of an acquired brain injury and their families through support, social activities, community and peer opportunities, advocacy, and information. It was an honour participating in such a worthy cause. For more information on how you can help or tap into some valuable resources, please visit <https://www.bianiagara.org/>

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Market & Economic Update

2024 has been a very strong year for markets and we are pleased with our performance again this year. Global markets recovered to reach record highs towards the end of the quarter. The economy remains resilient and with inflation slowing, central banks have begun cutting rates which is helping to boost markets further.

There always has been and always will be some volatile (up and down) stretches for a variety of reasons: recession fears, war overseas, inflation impacts, etc.

Q3 was no exception to the rule, as you can see below – several dips occurred from July to the end of September. But the FINAL result? Portfolios GAINED 1 to 4% depending on their risk level. It's why we also advise clients to zoom out when looking at their portfolio. Short-term pain is usually just that.....short-term.



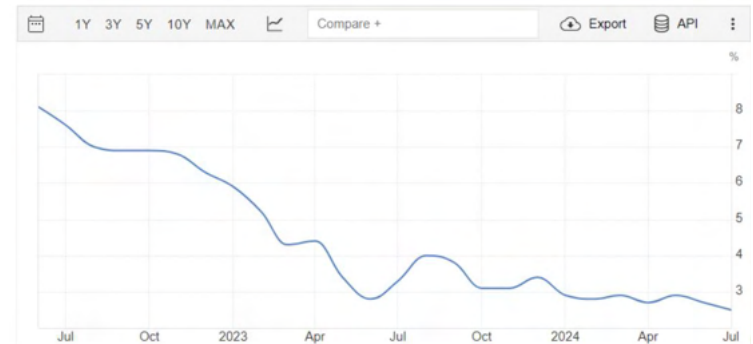
The Canadian market has been very strong lately with banks producing better results and energy stocks leading the TSX to new heights. Specifically, year to date in 2024 (January 1st to October 1st) the Canadian market (TSX) is up 14.31%, the MSCI Europe is up 13.64% and the US

Market (S&P 500) is up 22.73%. This is even a better start than the first 3 quarters of 2023 which turned out to finish very strong.

Central banks shift their focus

A majority of the World's Central Banks are following our Bank of Canada and are now shifting their focus away from controlling inflation to reducing rates to foster economic growth and keep employment higher.

In Canada we have seen inflation drop from a high of 8.1% in June 2022 to 2% in August of 2024. With the battle against inflation "seemingly won" – returning to the Bank's 2% target they have indicated further rate cuts are coming. The September meeting was a quarter of a percentage point rate cut to 4.25%. The next meeting is October 23rd, 2024 where a further .25 to .50% cut is



Further, after a period of high borrowing costs, solid growth, fading inflation and healthy employment, the US economy appears to be heading towards a soft landing – where the economy slows without a recession. The Federal Reserve decided to cut interest rates by half a percentage point in September, for the first time since March 2020. US inflation dipped below 3% for the first time since 2021 in July.

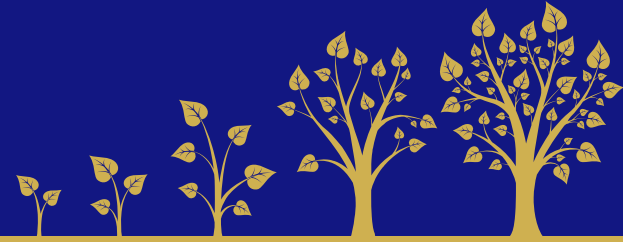
The European Central Bank (ECB) lowered rates in September by a quarter of a percentage point to 3.50% after inflation fell to 2.2% in August.

Global economic conditions

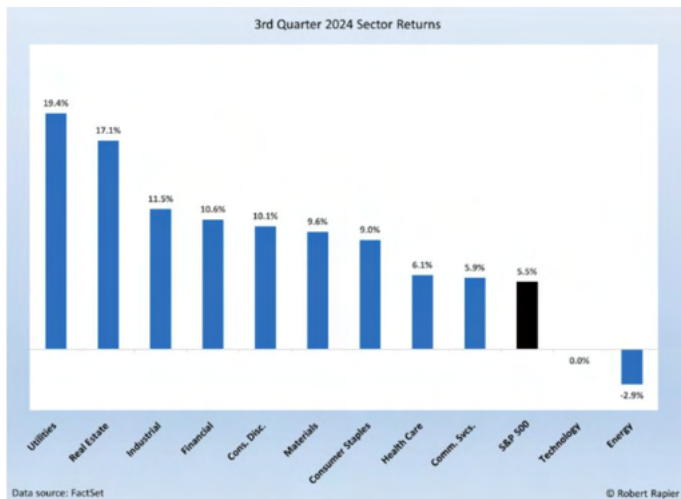
Over the course of 2024 we have seen optimism over artificial intelligence and its impact on the way we live, the way we work and everything in between. With investors growing more cautious about artificial intelligence (AI), there was some movement away from the tech giants to smaller companies.

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Below is a graph view of the S&P500 sectors and their performance in the 3rd quarter of 2024. You can see that Technology – which has led a lot of growth this year and last – was flat. We are starting to see a shift in the market and what has worked recently, may not be the best opportunity moving forward. Many of our portfolio managers are evaluating where they have invested your hard-earned/saved funds and determining if they will stay the course or will make some adjustments.



What this means for Basic Financial: Our funds view and outlook

We are in a period of change as inflation continues to moderate and central banks are lowering rates to stimulate growth. We continue to monitor the markets and our portfolio. We are confident in our strategy of having a diversified portfolio with a mix of active managers and passive managers which continues to outperform our peers. We have designed the portfolio to help ride out any potential future market volatility.

If you have concerns or questions – call us at anytime. We love talking about the markets and better yet, we love talking to you... so that you understand what's going on with your portfolio.

Sources:

<https://www.investingdaily.com/128784/market-review-the-leaders-and-laggards-of-q3-2024/>

<https://tradingeconomics.com/canada/inflation-cpi#:~:text=Canada%20Inflation%20Rate%20Hits%20BoC's,time%20in%20over%20three%20years.>

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

From Saving to Spending: Navigating the Shift in Mindset for New Retirees

By Cody Weber, CFP®, RRC®

Going from accumulating wealth and saving into your TFSA's/RRSP's to now spending from your investments can be a big adjustment. By addressing both the emotional and practical aspects of spending in retirement, you can create a more balanced and fulfilling retirement experience. Below are 8 tips to help you manage this change smoothly through one of the biggest struggles all Canadians face as they move into retirement.

1. Acknowledge Your Feelings: It's normal to feel anxious, excited, or even guilty about spending money after a lifetime of saving. Recognize that this is okay. You are in new and uncharted territory.

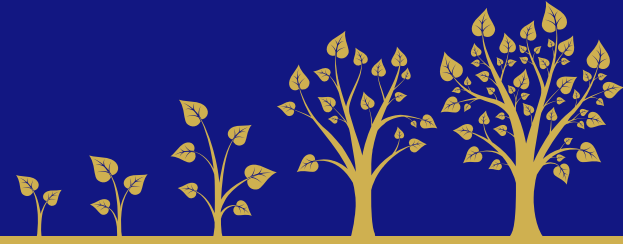
2. Shift Your Mindset: Think of spending in retirement as a sign of financial success and freedom. You have saved so well that now, you can enjoy it! Otherwise, what were all those years of sacrifice for? Someone is going to drive the Cadillac, whether it is you or whomever you leave your assets to when you pass away. I hope you enjoy the fruits of your labour.

3. Set Personal Goals: Plan how you want to live during retirement, this has been mentioned before in previous blogs. Define what you want to achieve or experience in retirement. Setting goals, such as traveling to a dream destination or pursuing a hobby, can give you a sense of purpose and help you justify your spending.

4. Create a Budget: In our office we call it a spending plan because a budget feels restrictive and less sexy. A spending plan is ensuring every dollar you spend aligns with your goals and values. Whether that is a golf round

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at a course you've always wanted to play, lunch with your girlfriends or taking your grand-children out for dinner... having a structured plan can help you feel more in control of your finances and less anxious when making spending decisions.

5. Monitor Your Spending: It's one thing to make a spending plan. It is another entirely to track it and hold yourself accountable. "I spent \$400 on clothing, how did that happen?" It's important to see your actual spending vs. your projected plan. A tough task to do, but important nonetheless. If you struggle tracking it (either not wanting to, or don't know how to)... seek help! Whether it's a financial app that tracks your spending (some banks also offer such apps) or a CERTIFIED FINANCIAL PLANNER® or loved one, there are a lot of money nerds out there willing to help.

6. Run Projections and Have a Plan in Place: I have seen many clients over the years struggle to spend when the work paycheck stops coming in. It's easier to spend when you know you have that stability of a bi-weekly or monthly amount coming in. If you are anything like my new retirees – John & Trudy (names changed of course), now you may need to withdraw from your investments... which fluctuate and could cause you some concern. Have an understanding of how the money will get from your investment account to your bank account, what the tax implications are and if you have enough to last your lifetime are all important questions that having a plan can answer. A CERTIFIED FINANCIAL PLANNER® can help you navigate the transition from saving to spending and create that plan tailored to your life & what is important to YOU. That advice can range from investment guidance, tax strategies, a plan for battling inflation, looking at your estate needs and so much more.

7. Revisit Your Plan Regularly: Just because you have a plan in place doesn't mean you can throw it in the drawer with all the other documents you don't look at 😊. Jokes aside, your life and circumstances may change over time. New grand-children, moving to a new area/city, maybe you decided to work again; all of these impact your plan and regularly reviewing and adjusting your financial plan can help ensure you stay on track and adapt to these changes.

8. Seek Support: If you are comfortable with doing so.... talk to friends, family members, or a professional about your feelings regarding money and retirement. You aren't

t the only one to struggle with this change and you won't be the last. There are also financial advisors out there that specialize on the human side of money (emotions, our financial behaviours, etc.). I am one of them that understand how complex the topic of money is from what we have observed of money and its impact on our lives.

All of that being said, making the shift from saving every year and seeing your investment balance grow to suddenly needing to use that same money for your living costs is a major adjustment that requires careful planning. With the right strategies and adjustments, you can enjoy your retirement with financial confidence. Take care and we will chat soon!

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