InTouch

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

QUARTER 4 – 2025

Table of Contents

Our customized services include:

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

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Happy New Year and welcome to the first issue of 2026. Its contents will reflect Q4 of 2025. We hope this issue provides you with valuable information, which will allow you to make strong financial decisions.

What's Happening

We'd like to start off by wishing you and your loved ones a very healthy, happy and prosperous New Year!

The fall and beginning of the fourth quarter were nice and busy for us with review meetings in full swing. There was a heavy focus on Tax Bracket Management to ensure clients keep most of their hard-earned money. The year wrapped up nicely with markets performing well – The team at Basic Financial was quite happy. We enjoyed some downtime with family and loved ones over the Holidays.... we hope the same for you as well!

With the beginning of the New Year, we are at full tilt with TFSA & RRSP contributions. A gentle reminder that your RRSP contribution deadline is March 2nd, 2026.

Market & Economic Update

Q4 2025 Market Update: A Choppy Year That Still Moved You Forward
2025 is officially in the books — and if you were paying attention to headlines, it probably felt a lot more stressful than it needed to be.

The year started with plenty of noise: tariff headlines, political uncertainty, and the usual "is this the year everything falls apart?" chatter. And yet... portfolios were meaningfully higher and long-term plans were still very much on track or ahead of schedule.

It wasn't a smooth ride, nor will it ever be, markets move up and down daily so zooming out and focusing on the long-term picture is important. We will be in touch if it's important or changes our strategy.

1. Big Picture — Strong Returns in Canada

The TSX rose about over 32% in 2025. While it's GREAT to see that growth, it is not expected every year.

What Helped the Canadian Market Rise

1. Mining and material stocks — these sectors, including gold and

precious metal companies, did very well and helped lift the overall market.
2. Banks and financial companies also contributed strongly to gains.
3. Falling interest rates and the “Buy Canada” movement also had an impact.

2. U.S. Stock Market — A Strong Year Amid Volatility

The U.S. stock market finished 2025 with solid double-digit gains. The S&P 500 rose around 16–17%, the Nasdaq rose about 20%, and the Dow also saw healthy gains.

Key Drivers

- Technology & AI stocks were a major force behind gains. Big tech companies continued to lead the rally like NVIDIA, Amazon, Microsoft, etc.
- The U.S. market showed resilience even after mid-year volatility. News like the end of the longest government shutdown in history provided positive sentiment.
- American consumer stays resilient and eager to invest/spend.

The United States is home to 20 of the world’s 25 largest companies underscoring its role as the leading engine of global corporate growth: https://sherwood.news/markets/the-us-now-accounts-20-of-worlds-25-most-valuable-companies-europe-has-one/

While headlines and political leadership can change, our responsibility is to focus on what grows your wealth over the long term. That is why we continue to allocate capital to markets and businesses like those in the U.S. that we believe offer the strongest opportunities for your money to work harder for you.

3. Trump’s Tariffs — What Investors Should Know

Trump’s tariff actions in 2025 included higher costs on many imported goods (items being brought into the United States) which rattled global markets early in the year and increased uncertainty. However, markets adapted and recovered after fears eased.

Economic Effects

Research shows tariffs can slow economic growth, create higher production costs, and add inflation pressure (the cost of everyday goods rising) in the short term. While some sectors might benefit temporarily, tariffs can lower GDP and wages if continued for a long period of time.

4. Global Markets — Many Markets Outpaced the U.S.

International Stocks Did Very Well

Stocks outside the U.S. returned anywhere from 20%–30% depending on the region beating U.S. performance. A weaker U.S. dollar also helped boost these returns when measured in U.S. dollars. European, Asian and emerging markets also posted strong gains, helping global indexes hit multi-year highs.

5. What’s Changing in The Markets

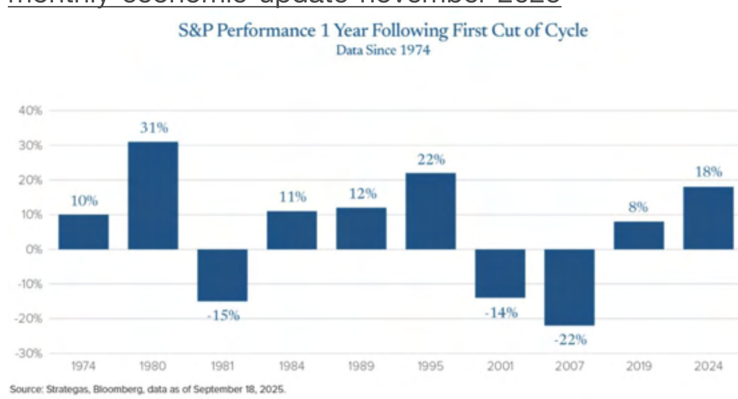
The AI Story Continues

Artificial intelligence (AI) and technology remain key themes driving stock market performance, especially in the U.S. It will continue to change how businesses operate and is seen as a key tool for future growth. This creates concentration risk in a few large companies who rely on AI.

Interest Rates and Inflation

Interest rate policy remains important. Rate cuts late in the year helped businesses while inflation continued to be a factor investors watch closely.

The Federal Reserve in the United States will change in 2026 – Fed Chair Jerome Powell’s term is over in May and his successors are in favour of more rate cuts. It remains to be seen how that will impact the US and Global economy. Rate cuts generally led to a higher performance for the following 12 months: https://www.mackenzieinvestments.com/en/institute/insights/monthly-economic-update-november-2025



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

Here's what the market performance in 2025 teaches us:

Diversify Your Portfolio

- Don't just hold U.S. and Canadian stocks — International stocks showed strong returns in 2025.
- Including different asset types (stocks, bonds, commodities) helps reduce risk.

Stick with Your Risk Comfort Zone

- Markets can swing — as seen with tariff-driven volatility earlier in the year.
- Being comfortable with your risk level helps you stay invested through short-term noise.

Think Long Term — Staying Invested Works

- Markets ended the year higher despite volatility.
- Long-term investing helps ride out short-term ups and downs.

Avoid Making Emotional Decisions Based on News

- Headlines can create temporary market drops but also buying opportunities.
- Staying invested according to a disciplined plan tends to benefit long-term goals.

We are confident in the markets heading into 2026 and will adjust as required. Our approach hasn't changed. We continue to build diversified portfolios using a mix of active and passive managers, with a long-term focus aligned to your goals — not the news cycle.

We offer both in person and online meetings via Zoom. During your conversations with friends, family, neighbours – if you feel the information above may be helpful to them, feel free to share our information.

Office phone: 905-937-0204 or direct them to our website www.basic360.ca.

Sincerely, your team!

Article of Interest

Longevity Planning: Building a Life You Can Enjoy for Decades After 55

By Cody Weber, CFP®, RLP®, RRC®

Welcome back my friends to one of the last blog posts of 2025, it is crazy how quick the year has passed us by. If you're like me and reflecting on 2025 I hope it was one of your best or that you are ending on a positive note. Only one month until the best holiday of them all! November and December are special months to enjoy time with family, the snow (yes I said it), cozy drinks and movie nights. Enjoy it with those most important to you, it's key to a good life.

As we look forward to 2026, I am starting to put my health plan together. 2025 was not the best year for me health wise and I slipped on the gym, eating clean and walking daily. While most people think working out, sports, eating clean and other health activities may not be for them… it's vital to a long and fruitful life. Without that, health issues could determine how you spend your retirement.

Not surprising to hear with health advances – but most retirees today will live longer than any generation before them. That's a gift we should all be thankful for.

It's also a planning challenge.

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The news tends to obsess over the financial side: inflation, cost of living, sustainable withdrawals and yes, all of those matters. **But the retirees who thrive the most, the ones who stay vibrant, energetic, and fulfilled** into their 70s, 80s, and even 90s?

They're the ones who treat health, purpose, and habits as part of their everyday life.

Money supports your life.

Health gives you the ability to live it.

This is your guide to both.

1. The Financial Reality of a Longer Life

Before we dive into the good stuff… the fun, the health, the meaningful pieces to you.
Let's go over the financial part.

Inflation & Cost of Living Don't Retire
Just because you retired, doesn't mean the cost of living will stop rising. Living a long life means you're planning for potentially 30–40 years of living expenses!

Over that period:

- Groceries double. Today's $500 bill for 2 weeks of groceries could become $1,000
- Insurance premiums will likely continue to rise
- Travel becomes more expensive. Europe flights won't be this cheap forever, book the trip while you can afford it and have the health to enjoy it!
- Utilities and property taxes creep up. Don't even get me started on my Enbridge bill lately
- Healthcare costs grow faster than expected

This is why your retirement shouldn't be built on a static budget. It's built on dynamic planning that adjusts alongside life.

Your Investments Need to Keep Working
If your life is expected to last decades, your investments should too. Longevity planning usually means:

- Staying invested longer
- Keeping an appropriate level of risk on your investments to ensure they grow as needed
- Managing the downside of the market
- Ensuring your withdrawal strategy matches your lifestyle, not the other way around

But the real reason financial planning matters? To fund the lifestyle that keeps you active, healthy and happy. So, you can enjoy life however you wish.

2. The New Retirement: A Health & Energy-First Model
Writers like Dan Haylett, a dear friend of mine, emphasize that modern retirement isn't about stopping work. It's about reshaping life.

It's about structure, habits, and purpose. Those matter far more than most people ever expect.

Health Is the New Wealth

Here's the truth:
A 30-year retirement is only great if you can stay healthy enough to enjoy it. It doesn't help if you are unable to enjoy the activities you dreamed of doing during retirement.

The world's leading research on longevity (Blue Zones, Harvard Health Study, Stanford's Lifestyle Medicine findings) shows the following 4 factors as important to living a long and full life:

a. Movement you enjoy
Not workouts you tolerate. Because no one wants to wake up at 5am and do burpees for an hour. Think of the activities YOU ENJOY that create energy, mobility, and fun.
Examples:

- Pickleball
- Walking clubs
- Golf with friends
- Yoga for mobility
- Cycling
- Lifting Weights 2x per week (massively reduces fall and injury risk)

Retirees who stay active often say they feel younger at 70 than they did at 60.
I have a client – 86 years old that lifts weights 3x a week, he says he's in the best shape of his life!

b. A Purpose that gets you out of bed
Purpose protects against depression, cognitive decline, and boredom—the triple threat of retirement. Think about what inspires you.

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What are you good at? Are you called to something? What do you still want to do?
Examples:
- Coaching or mentoring the next generation
- Volunteering
- Part-time consulting
- Creative projects
- Joining boards or community groups
- Learning a craft or skill

Retirement isn't an ending; it's a beginning of a new identity. Try new things to find yours.

c. Real social connection
Loneliness can be as harmful as smoking 15 cigarettes a day. That's not a metaphor; that's from Stanford research.

Building a longevity-friendly lifestyle means:
- Making plans regularly with friends
- Traveling with friends
- Joining clubs or communities
- Hosting dinners

Many retirees underestimate how quickly their social circles shrink after leaving work. The happiest ones actively build new ones.

d. Mental fitness
Our cognitive health is a pillar of longevity. Staying on the couch watching TV and listening to the news is so DRAINING. If that's what you're looking forward to, all the power to you but it will slowly drain your body and mind. What the body really needs are some of the following:
- Reading
- Puzzles or cognitive games
- Learning instruments
- Taking classes
- Practising mindfulness or meditation

3. Designing a Longevity Lifestyle Plan (Your New Blueprint)

Think of this as your new "retirement budget" but for energy and well-being.

A Longevity Plan Includes:

✓ Weekly Movement Plan
Your non-negotiables for staying active. No week will be perfect. You may be saddled with the grand-kids for a couple of weeks and not able to be as active as you'd like so give yourself some grace if you miss a week or two. But jump right back into things when can.

These are those 3-5 movements YOU require for a long life.
Example:
- 3 walks
- 2 strength sessions
- 1 fun activity (pickleball, swimming, golf)

✓ Social Rhythm
Avoid going more than 48 hours without seeing someone outside of your spouse. Remember that loneliness can be as harmful as smoking 15 cigarettes a day.

✓ Hobbies + Learning
Choose two areas you want to grow in over the next 1-3 years. Think of the hobbies and skills you've dreamed of but never had the time for. Make them a priority today.

✓ Health Metrics
Track the basics. Small changes now buy you more time later.
- Sleep
- Steps or movement
- Strength or mobility goals
- Annual physicals
- Preventative screening

✓ Financial Flexibility
Your plan should give you the freedom to finance the things most important to you:
- Travel while you can
- Activities that keep you mobile
- Healthy food
- Home modifications later in life
- Personal care or support if needed

Longevity requires options, and options require a healthy financial structure.

4. What the Happiest Retirees Do Differently

They treat retirement as a phase of growth, not decline.
They keep learning, moving, and connecting.
They prioritize relationships above everything else.

They buy experiences, not things. Trips to Italy – eating pizza and sipping on wine vs. buying a car
They see fitness as necessary.
They proactively plan for aging — not react to it.

5. The Fully Alive Outlook
Longevity isn't just about living longer—it's about living better.

A life where:

- You can pick up your grandkids without fear of hurting your back
- You spend your 70s traveling, not just reading about it or seeing others do it
- You maintain independence well into your 80s
- You enjoy your lifestyle because your money supports your health
- You feel purposeful, energetic, and fully alive every year after 55

This is modern retirement.
This is what longevity planning is really about.

I hope you've enjoyed, if you have any questions on this months blog – send me an email at cody@basic360.ca or message me on LinkedIn.