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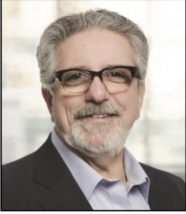
KPW LIFE PLAN—IMAGINE YOUR FUTURE

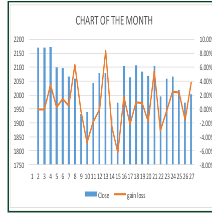
VOL. 8, ISSUE 9 SEP 2019

"THE ONLY THING WE CAN BE CERTAIN OF IN THIS LIFE IS THAT WE CAN BE CERTAIN OF NOTHING" *- Albert Einstein*



Sergio Simone
EDITORIAL COMMENT

Kristina De Souza
MILLENNIALS IN THE LIFE INSURANCE REALM



US RECESSION WATCH

Ryan Simone, CLU, CHS
PERSPECTIVE IS EVERYTHING

Editorial Comment

Sergio Simone

Market volatility has become very frustrating recently. Over the many years I have been in this business, I have learned that volatility is my friend albeit a very exasperating friend at times. Normally, our focus is on "how do we make money for our clients". In these crazy times I go back to Warren Buffett's First Two Rules of Investing: "Rule #1. Never lose money. Rule #2. Never forget rule No. #1."

Continue Reading

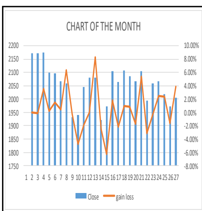
Millennials In The Life Insurance Realm

Kristina De Souza

For those who are unfamiliar, or simply need a refresh, the term millennial is used to describe those individuals born between 1981 and 1996, or those between the ages of 23-38 as of today's date. In many of my previous writings, I have outlined the very real need for life insurance. It is unfortunate, to say the least, that there is also a very real gap that exists between millennials and owning life insurance.

Continue Reading

US Recession Watch



There is a 38% chance of a recession hitting the United States within the next 12 months, according to the NY Fed Recession Probability Indicator. The 3m10s spread is currently –37-bps; on the last day of August it was –45-bps; and on the last day of July it was –0.4-bps. The bearish steepening of the US Treasury yield curve—long-end rates are rising faster than short-end rates—

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Perspective Is Everything—Why Market Volatility Is Calmer Than We Think

Ryan Simone, CLU, CHS

A CBS News article appeared on my news feed a little while ago. The title of the article is: 'Stock markets plunge as U.S.-China trade ware escalates'. When I see the word 'plunge' the types of numbers that come to mind are double digit negatives, or if we're lucky, it was only a 6% or 7% dive.

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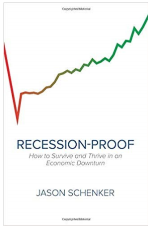
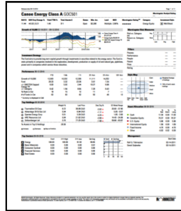


BOOK OF THE MONTH

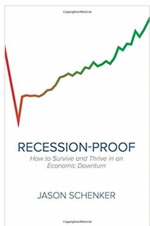


FUND OF THE MONTH DYNAMIC EQUITY INCOME FUND

INVESTMENT TERMINOLOGY

BLOG OF THE MONTH MILLION DOLLAR JOURNEY

BOOK OF THE MONTH

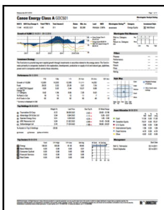


Recession-Proof

—By Jason Schenker

World ranked financial forecaster Jason Schenker shares the tricks and secrets that make Fortune 500 companies and high-net-worth individuals run to him when the economy goes south. Schenker has been ranked one of the most accurate economic forecasters in the world by Bloomberg News in 27 categories. He is an economic authority in the press, including the Wall Street Journal.

FUND OF THE MONTH



Dynamic Equity Income Fund

A core equity income fund that offers a high level of monthly income and potential for capital appreciation. It invests primarily in high-quality Canadian companies with attractive free cash flow and growth. It is an actively managed and diversified portfolio.

INVESTMENT TERMINOLOGY

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) is a measure of a company's operating performance. Essentially, it's a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments. EBITDA is calculated by adding back the non-cash expenses of depreciation and amortization to a firm's operating income. Alternatively, you can also calculate EBITDA by taking a company's net income and adding back interest, taxes, depreciation and amortization,

BLOG OF THE MONTH

LATE STARTING YOUR RESP? HERE'S HOW TO CATCH UP

A friend of mine, Gary, recently asked me about registered education savings plans (RESPs) and if it's too late to get started. Gary's kids are 14 and 12, and while a bit late in the game, there is still time to take advantage of free government money. "Huzzah!" said the stock market. The trade war is de-escalating! Christmas is saved! The S&P 500 rose 1.5 percent, to a level only about 3 percent below its record high on July 29.

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PRIVATE WEALTH

INFORMATION AND SOLUTIONS FOR HIGH NET WORTH INVESTORS

RICH PEOPLE ARE HOARDING CASH, AND WEALTH MANAGERS ARE GETTING FRUSTRATED

A friend of mine has relatives in Germany who converted some of their not insubstantial family wealth into gold bars and buried them in the woods of Bavaria. This was at a time before negative interest rates so was not a reaction to today's uncertain global economy, rather mistrust of the financial system in general. Yet it highlights a propensity on the part of the wealthy to hoard that is increasingly frustrating wealth managers.

Continue Reading

PRIVATE WEALTH MANAGEMENT

A SIDE-BY-SIDE COMPARISON OF PRIVATE FOUNDATIONS AND DONOR-ADVISED FUNDS

In looking to create a charitable vehicle, you may also be considering whether to establish a private foundation or a donor-advised fund (DAF). At the most basic level, a donor-advised fund is an account in a public charity whereas a private foundation is an actual charitable organization. Contributors to a donor-advised fund make irrevocable contributions to the sponsoring organization that administers that fund and makes decisions regarding its investments. They can recommend eligible charities as grant recipients, but the donor-advised fund's governing body is free to accept or reject any grant recommendations.

Continue Reading

HOW THE ULTRAHIGH-NET-WORTH INVESTOR PREPARES FOR A RECESSION

Robert Janson's clients are always fixated on protecting their money. Most of them, after all, have a lot to lose with investable assets exceeding $10 million and stretching into the billions.

Amid persistent predictions of an impending recession, the president and chief investment officer of Toronto-based Westcourt Capital Corp. has had a growing number of queries from his ultrahigh-net-worth clients on what precautionary measures they should take to weather an economic storm.

Continue Reading

Wealth Management

THE FUTURE-EMPOWERED HIGH-NET-WORTH INVESTOR

Across the world, the investment landscape is recalibrating: A new generation of high-net-worth investors is leading wealth ownership and applying their more global attitudes and values to investment strategies. As a result, smart philanthropy, alternative investing and impact investing are on the rise, while some more traditional sectors contract. Signs of a worldwide economic slowdown and trade wars that are chilling business confidence compound this. Change is coming. And as people look to future-proof their portfolios in an increasingly complex environment, there is an even greater need for tech-based tools and seasoned council to help investors leverage insights and dodge risks.

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FUND MANAGER COMMENTARY

MICHAEL GREENBERG
FRANKLIN TEMPLETON INVESTMENTS

GERTJAN VAN DER GEER
MANULIFE INVESTMENTS

LOUIS-PHILIPPE ROY
TD ASSET MANAGMENT

TONY GENUA
AGF INVESTMENTS

Michael Greenberg, CFA, CAIA, V.P. Portfolio Manager

Franklin Templeton Multi-Asset Solutions

HOW BIG A DEAL IS THE YIELD CURVE?

The yield curve has been a hot topic lately, since the 2s10s curve inverted briefly, some have suggested a recession is all but guaranteed to follow. Historically it has been a harbinger of recession Continue Reading

Gertjan van der Geer, Senior Investment Manager

Manulife Investment Management

How Megatrends Lead To Investment Themes That Lead To Alpha

Countries across the globe are wrestling with the problem of shrinking water supplies. Fast-growing metropolitan cities are looking to build taller and more advanced buildings that use proportionally less energy. Developing-market nations with

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Louis-Philippe Roy, Vice-President

TD Asset Management Inc.

Trade Wars: Is Low Volatility A Natural Hedge?

'Trade Wars' have become commonplace discussion topic among investors in recent months, due to the numerous tariffs that have been initiated by the current U.S. administration. In a tweet on March 2nd 2018, President Trump expressed his belief that 'trade wars are good'.

Continue Reading

Tony Genua, Senior Vice-President and Portfolio Manager

AGF Investments

An Interview with Tony Genua on Macroeconomic News

Q: Are we headed towards a recession?

Tony: Difficult to predict macro events due to the noise, however, no recession in sight until 2021. Typically a recession follows 19 months after a yield curve inversion and a median return of 21% before the market peak, but a lot can change between now and then, which includes a US election. Moreover, year 3 of the US presidential cycle has historically avoided recessions (observations based on data since 1948). Having said that, CAPEX has shown declining trends due to CEO uncertainty and macro unpredictability.

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LINKS

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The Hedge Fund Manager From 'The Big Short' Who Predicted The Mortgage Crisis Now Says Index Funds Are The Next Bubble: 'It Will Be Ugly'

A Recession Isn't Inevitable: The Case For Economic Optimism

The worrisome leading indicators are real, but so are the

U.S.-China Trade Tensions Lead Emerging Market Investors To Flock To Vietnam

Vietnam has seen an influx of

U.S. Recession Indicators Haven't Made Up Their Minds

Investors are abuzz over the risk of a looming U.S. recession, yet

Modernizing The Term Conversation

Term insurance. Nothing new here, right? It's straightforward life insurance coverage, and it

Most Canadians Are Now Better Off Than Most Americans

Middle-class people in the U.S. are losing ground to their peers in

ECB Cuts Rates And Tells Governments To Act

Fresh stimulus package from eurozone as growth forecast downgraded.

World Economic Situation And Prospects

Trade tension between China and the United States re-escalated in August, following the

New Highs, New Lows

Policy uncertainty reached new heights in August (at least according to one US index) and bounced around equity markets

FAMILY ENTERPRISE XCHANGE FOUNDATION

FAMILY ENTERPRISE MATTERS

Research shows family businesses contributed 6.9 million jobs to Canada's economy in 2017. These businesses account for half of private-sector GDP.

GREENWICH DATA | ANALYTICS | INSIGHTS

CANADIAN INSTITUTIONS TURN TO ETFS IN CHALLENGING MARKETS

Canadian institutions made aggressive use of exchange-traded funds in their portfolios last year as they navigated a sharp market downturn, a surge in volatility and a series of unpredictable geopolitical events. As they contend with these risks and implement the adjustments needed to reposition their portfolios, growing numbers of Canadian Institutions are using ETFs to strategically replace other investment vehicles.

VIDEO LINKS

Is The 'Code Red' Recession Indicator Simply A False Alarm?

Are we really nearing a recession? You know that despite

Back To School—Signature Macro Update

Eric Bushell and Drummond Brodeur give an update on recent global market events, tariffs,

European Central Bank Launches New Bond-Buying Program

The central bank's quantitative easing program will entail 20 bill

CONSCIOUS CAPITAL WEALTH MANAGEMENT, LLC

DO GOOD – DO WELL – LIVE WHOLE™

MONTHLY MARKET INSIGHTS—SEPTEMBER 2019

U.S. MARKETS—Stock prices choked in August as concerns about an economic slowdown and global trade tensions proved more powerful than upbeat news about the American consumer. The Dow Jones Industrial Average dropped 1.72 percent, while the Standard & Poor's 500 Index fell 1.81 percent. The NASDAQ Composite lost 2.60 percent. Stocks opened the month lower on concerns that the Federal Reserve might not pursue interest rate cuts at a pace that's in line with investor expectations.

EDITORIAL COMMENT-CONTINUED

I have been in the financial services industry for 40 years and have lived through many economic cycles. There is something to be said for experience and that is that "no matter what we think we know; we never stop learning." Nothing I have experienced will help me predict the future any better, but what my past has taught me is that when the uncertainty is overwhelming and the so-called expert opinions are so diametrically opposed, it is time to go back to the basic principles and fundamentals of investing. We may not be able to predict the future but understanding the current fundamentals may create a calmer and more accepting philosophy concerning our long-term investment objectives.

So, let's take a closer look at some of the current fundamentals.

The Yield Curve is the bogeyman of market forecasting. An inversion in the yield curve can quickly turn bullish markets bearish and spread fear throughout the land. The yield curve has been a better indicator of a looming recession than most other gauges, especially when it has inverted for three consecutive months. In both 1998 and 2006 the 10-year bond versus the 2-year bond yield curve inverted. As the hype of an upcoming recession dominated the business news, the curve, in both instances, inverted for less than three consecutive months resulting in a false signal of an upcoming recession. Historically a consecutive three-month negative yield curve typically evolves into a recession approximately one year to eighteen months out.

Is this time different? It appears that may be the case. We now have seen unprecedented amounts of central bank intervention which has resulted in record amounts of negative yielding bonds. Perhaps this has been the cause of large international fixed income flows into the U.S. given their relative yield attractiveness. This inflow of funds may be impairing an otherwise natural yield curve progression.

The 10/2 yield curve briefly turned negative but seems to be bouncing around the zero point largely influenced by these outside forces. Despite these influences, we continue to believe that the bond market is effective in pricing the risks to growth until it is proven otherwise. And, we will continue to monitor this fundamental indicator until it is proven to be redundant.

On the global front, conditions continued to deteriorate over the summer following a slow decent from the previous highs of early 2018. I suspect one of the major causes had to do with the ongoing trade war between the U.S. and China. Fortunately, global central banks have reversed their previous course of tightening and have begun the process of easing credit conditions. This is not to say that the trade war will not continue to have a negative impact on global markets but rather, that the central banks are tackling this issue head on and in a positive way rather than ignoring it.

The largest economy in the world grew at 2.1% in Q2 of 2019 which is somewhat off what the expectations were for the U.S. economy a year ago. Several of the metrics we follow are indicating a deterioration of the underlying fundamentals in the U.S. For example, the Chicago Fed National Activity Index (CFNAI), which is a weighted average of 85 existing monthly indicators of national economic activity is now indicating that the U.S. economy is slowing. It is still a long way off of indicating that a recession is imminent, but the numbers do call for a slightly more cautious investment approach.

Another metric we pay attention to is the U.S. Leading Economic Indicators. This index is worth watching as it consists of 10 economic components whose changes tend to forecast trend changes in the overall economy. Since 1970, a recession has occurred on average six months after the LEIs became negative. They are currently at approximately 1.6. Although a positive number, it is still the lowest number the index has reached in more than two years. The Institute for Supply Management is another index that is showing a modest contraction for the first time since 2016.

Although these numbers have created more concern and caution, they are nowhere near the "fear" levels hyped by many pundits. In my opinion the U.S. economy has a recession risk probability of around 25-30%; improbable but not impossible. Rising political tensions between the U.S. and China can quickly escalate causing this risk to rise exponentially.

Although the aforementioned indicators seem to be trending in the wrong direction, all is not doom and gloom in the U,S. The unemployment rate is hovering around 3.7%, incomes have been growing, and consumer confidence remains strong. So, even if the indicators are strongly calling for a recession, the U.S. may be able to hold off hard times on the backs of stronger consumers. The U.S. consumer remains quite strong and is the shining light in an otherwise lackluster global economy.

As strong as these numbers are, a significant drop in confidence, as measured by the University of Michigan Consumer Sentiment Index, can quickly lead to a reduction in consumption. Today, consumption growth is positive but trending lower and is hovering around its 5-year low. The current trade war with China can easily shatter consumer confidence so it is worth being vigilant of changes in this indicator.

EDITORIAL COMMENT-CONTINUED

A potential sign of weaker earnings ahead is often attributed to insider selling. Corporate insiders sold an average of US$600 million of stock per day in August. This was the fifth month in 2019 where insider selling topped US$10 billion. We believe that insider selling is indicative of concerns by executives of obstacles faced by corporate America. Another sign indicating a lack of confidence is share buybacks. U.S. companies announced US$2 billion of buybacks per day during earnings season, which is the weakest pace in two years. That being said, buybacks remain above the pace set in 2017, the final year before the Republican tax law that created a huge windfall for companies. It is not a stretch to conclude that the amount of insider trading coupled with the decline in share buybacks is reflective of the uncertainty that lies ahead for U.S. corporations.

Recently, there has been concern that U.S. stocks are overpriced. Upon closer examination, with the exception of the U.S. and MSCI Asia x Japan, which are fairly valued, the major investable regions around the world seem to be trading below their five-year averages. The big question is whether or not current valuations will compensate investors enough for the risks they are taking amid the weakness in global fundamentals and earnings.

As Manulife's Chief Investment Strategist, Philip Petursson asks: "Over the next twelve months, is the destination worth the journey? Is the reward worth the risk?"

I can state with a high probability that equities will out-perform bonds over the next twenty years. However, will this be the case over the next 12 months, and if so, at what cost? The fundamentals deserve a lot of respect and right now they are telling us to take some risk off the table. Using a hockey analogy, it is now time to protect the lead and put a third defenseman on the ice. It is not that I expect a full blown recession any time soon, but I do believe the financial markets are beginning to contract and that growth, although likely to occur, will be more sluggish. There are sources of resilience that have every opportunity to keep this decade-long bull market going.

I continue to emphasize a well diversified asset allocation strategy. This may be the time to skew your portfolio to a more defensive allocation until better clarity and greater certainty improves our outlook.

Millennials In The Life Insurance Realm—Continued

The apparent reasons that millennials use to justify not buying life insurance are used to outweigh the legitimate reasons why they should.

Saving in itself seems to be next to impossible for this generation; between the exponential costs of education and the highly unaffordable housing market. The cherry on top is the fact that all of the typical triggers of buying life insurance; home purchases, marriage, and children, are being pushed out to an older age. Bluntly put, millennials just don't see the "need" for life insurance, which is likely fueled by their inherent feeling of being invincible at this age.

Perhaps it is even the somewhat old-fashioned way life insurance is obtained; via a perceived suffocating amount of questionnaires and paperwork that is nothing short of overwhelming for a generation accustomed to acquiring goods and services by the click of a mouse.

From the advisor point of view, many have shifted their focus to older age cohorts, feeling their efforts are better spent there. It has been found that the millennials do not represent a very lucrative market for the average advisor; and all of these factors have bred a younger generation that is seriously underserved and lacking insurance.

This is not merely an opinion; the facts are in the pudding: studies demonstrate that over half of millennials are under insured. These findings are contradictory for a generation that is not only highly educated but also reportedly find wealth to be very important. The good news is, they are also a generation that has been found to be open to change. The key is for the financial services industry to help spread awareness on the very real need for insurance both from a financial planning perspective as well as a loss reduction mechanism, by emphasizing their vulnerability should they face an unexpected loss.

Fortunately, to help fill the void this generation is facing, many insurance companies are experimenting with platforms to accommodate millennials' specific wants and needs associated with the purchase of life insurance.

In response to the current environment, many insurance companies are cutting costs by leveraging data to understand risk.

Due to the high costs associated with medical tests, many firms are increasing their risk tolerance. For example; they may make use of a streamlined sales process or offer products such as term life up to $1 million without the need for medical testing.

In further attempts to bridge the life insurance gap that exists with millennials, certain companies have created platforms to provide quotes based on a few factors such as age and smoking history. The entire process, which includes a simplified medical questionnaire to be completed via phone, online, or face to face with an advisor, can be completed in 10-15 minutes or so.

Evidently, like most products and services, we are seeing a shift in the market to an increase in digital sales; requiring advisors to adjust their means to be able to serve clients in a variety of ways.

Younger individuals have become very accustomed to online research and shopping.

Ultimately, products need to be easy to comprehend as well as requiring a multitude of adjustments to the typical insurance process, and we are certainly seeing these adjustments being made as of late.

It has been said that it is the combination of the advisor and technology that is critical here. The typical 50 page paper applications are becoming obsolete; they are overwhelming for the more modern day, digitally sophisticated investors. Firms still understand the value of having a live person (advisor) play a vital role in the process, but they understand and capitalize on the fact that there can be a happy medium where the personal and digital processes are combined in a streamlined and simplified process that caters to millennials.

Tony Genua—Continued

Q: What's your cash position and where are you investing?

Tony: The cash position has come down from 23% to 18%. We like the following sectors and businesses within them:

- Information Technology (Cloud, Artificial Intelligence, Streaming Apps, Small business enablers, 5G build out)
- Consumers (Autonomous Vehicle, E-Commerce, Health & Wellness, Digital and Mobile Gaming)
- Healthcare (Medical Services, Personalized medicine)
- Macro-related (Trade, Infrastructure)

We are excited about opportunities that are recession proof, e.g., tech companies with innovative ideas and an increasing share of wallet base on internet platforms. Strong sell discipline in place for stop losses in case things go south.

Q: Is the momentum grade over and are we making a rotation from Growth to Value?

Tony: In the past few days, we have seen the biggest losers over the past year significantly outperform the winners; this is in sharp contrast to the dominant theme this year where past winners continued to outperform the losers. From the end of May to the end of August, stocks that had strong momentum over the past 12 months had outperformed stocks that had weak momentum by over 50% and 30% in Canada and the US respectively. We have seen this extreme outperformance diminish rapidly over the past few days. However, it's too early to judge if the rotation has moved from Growth to Value, given the move was too quick. The overall macroeconomic data continues to be mixed - the probability of a trade deal coming through this year is low, however, both parties seem more reconciliatory. Trade talks and supportive monetary policies (potential positive outcome) and Brexit and an inverted yield curve (potential negative outcome) are playing tug of war, among other things.

Perspective Is Everything—Continued.

The actual number the article was referring to was a 900 point drop in the Dow Jones and a 300 point drop in the Nasdaq that happened on August 2nd. I know it's September now, and we've had a decent run this month in the markets, but I can't help thinking we'll be seeing that word 'plunge' as soon as markets correct again.

But what is a plunge in the markets really?

Looking back over the summer, when we heard August had an intra-day 900-point plunge, it sounded terrible! July was spent reaching new highs only to have a 900-point drop in a single day! It felt like volatility was roaring back. It felt like trouble.

But here's why it's none of those things and why we really need to keep feelings out of it and focus on the numbers and trends:

Based on historical index prices gathered from YahooFinance.com, I would argue that volatility is much lower today versus the historical average. For example, today, there are fewer trading days with a move of +/- 1% than we have had historically. For context, 2018 was one of the more volatile periods over the last 5 years but if we look back over the past 25 years the markets in 2018 were 8% less volatile than the historical mean. Why then, are we using words like 'plunge' to describe what ultimately was a mild or common -2.9% loss for the Dow and a -3.5% loss for the Nasdaq?

For one, there is a big difference between nominal and percentage declines. Yes, losing 900 points in a single day seems like a huge drop, but this is small in comparison to the types of drops experienced in the past. In the chart below are the Dow's 10 largest single day percentage declines in the last 121 years. Its largest decline happened in 1987 when it dropped 508 points in one day. That was a -22.61% decline in a single day for the Dow. Fits the title of a 'plunge' if you ask me.

Interesting that this dramatic plunge in 1987 was 400 points less than the August 2nd 900-point "plunge" but 20% greater compared to the more recent 2.5% loss.

Rank	Date	Close	Net Change	% Change
1	10/19/1987	1,738.74	-508.00	-22.61
2	10/28/1929	260.64	-38.33	-12.82
3	10/29/1929	230.07	-30.57	-11.73
4	11/6/1929	232.13	-25.55	-9.92
5	12/18/1899	58.27	-5.57	-8.72
6	8/12/1932	63.11	-5.79	-8.40
7	3/14/1907	76.23	-6.89	-8.29
8	10/26/1987	1,793.93	-156.83	-8.04
9	10/15/2008	8,577.91	-733.08	-7.87
10	7/21/1933	88.71	-7.55	-7.84

Source: www.tradingview.com

Consider what the major indexes look like right now: many high-quality businesses that are included in all three of the major indexes (Dow, Nasdaq, S&P) tend to increase in value. As the nominal value of these indexes increases over time, so will the likelihood of larger nominal intraday point swings. In this way, a 900-point loss or a 1000-point dip seems large but for the Dow it wouldn't even equate to a 4% decline. Certainly not worthy of a word like 'plunge'.

I get it, CBS News needs people to read their articles, so they use words like 'plunge' as click-bait. I think it is important however to make sure we take things into perspective before it becomes dangerous to those investors who panic and maybe sell when they shouldn't.

For greater perspective on the August 2nd plunge, here's what it looked like for the S&P on a weekly chart:

Source: www.tradingview.com

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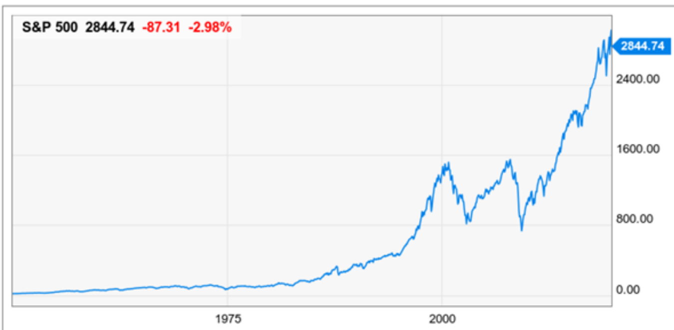
Perspective Is Everything—Continued.

Now here's the S&P over the last 5 years:

Source: www.Tradingview.com

And here's the S&P since 1950:



Source: www.tradingview.com

Taken into perspective, the markets did not plunge but they did move down less than they have historically. Afterall, that is what they do in the short-term.

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Labour Sponsored Investment Funds (“LSIF”) have tax credits that are subject to certain conditions and are generally subject to recapture, if shares are redeemed within eight years. Please note that Mutual Fund Representatives in Alberta are not permitted to sell LSIF.

An investor proposing to borrow for the purchase of securities should be aware that a purchase with borrowed monies involves greater risk than a purchase using cash resources only. The extent of that risk is a determination to be made by each purchaser and will vary depending on the circumstances of the purchaser and the securities purchased.

Discuss the risks associated with leveraged mutual fund purchased with an investment funds advisor before investing. Purchases are subject to suitability requirements. Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same if the value of the securities purchased declines.

Investors should educate themselves regarding securities, taxation or exchange control legislation, which may affect them personally. This newsletter is for general information only and is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. Please consult an appropriate professional regarding your particular circumstances.

All non-mutual fund related business conducted by **Kleinburg Private Wealth Management** is not in the capacity of an employee or agent of Carte Wealth Management Inc. Non-mutual fund related business includes, without limitation, advising in or selling any type of insurance product, advising in or selling any type of mortgage service, estate and tax planning or tax return preparation. Accordingly, Carte Wealth Management Inc. is not liable and/or responsible for any non-mutual fund related business conducted by **Kleinburg Private Wealth Management**. Such non-mutual fund related business conducted by Kleinburg Private Wealth Management alone.

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