

AUGUST 2025

VOLUME 14 , ISSUE 8

KPW FINANCIAL

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FINANCIAL FREEDOM STARTS WITH A QUESTION

At KPW Financial, we believe true financial planning begins by asking, "What matters most to you?" Our life-centered approach goes beyond spreadsheets and market forecasts. We specialize in preferred and innovative tax strategies, purposeful inter-generational wealth transfer, and the kind of forward-thinking advice that supports families across generations. Whether you're preparing for retirement, protecting your legacy, or aligning your wealth with your values, we're here to guide you with clarity and care.



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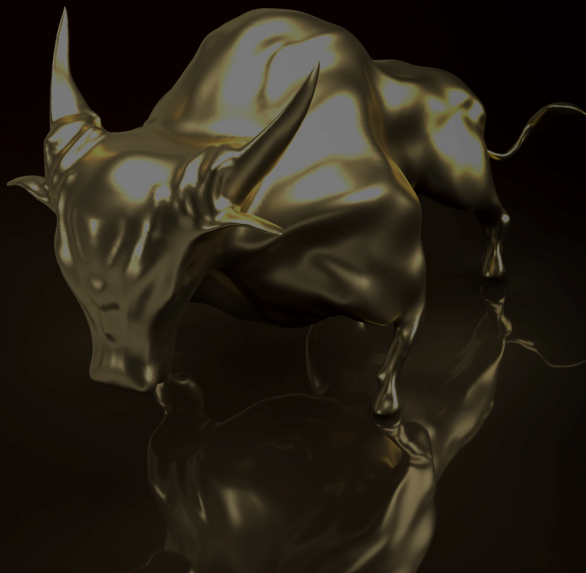


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The Way I See It

By Sergio Simone



Preparing for a Bullish Market

How We Got Here

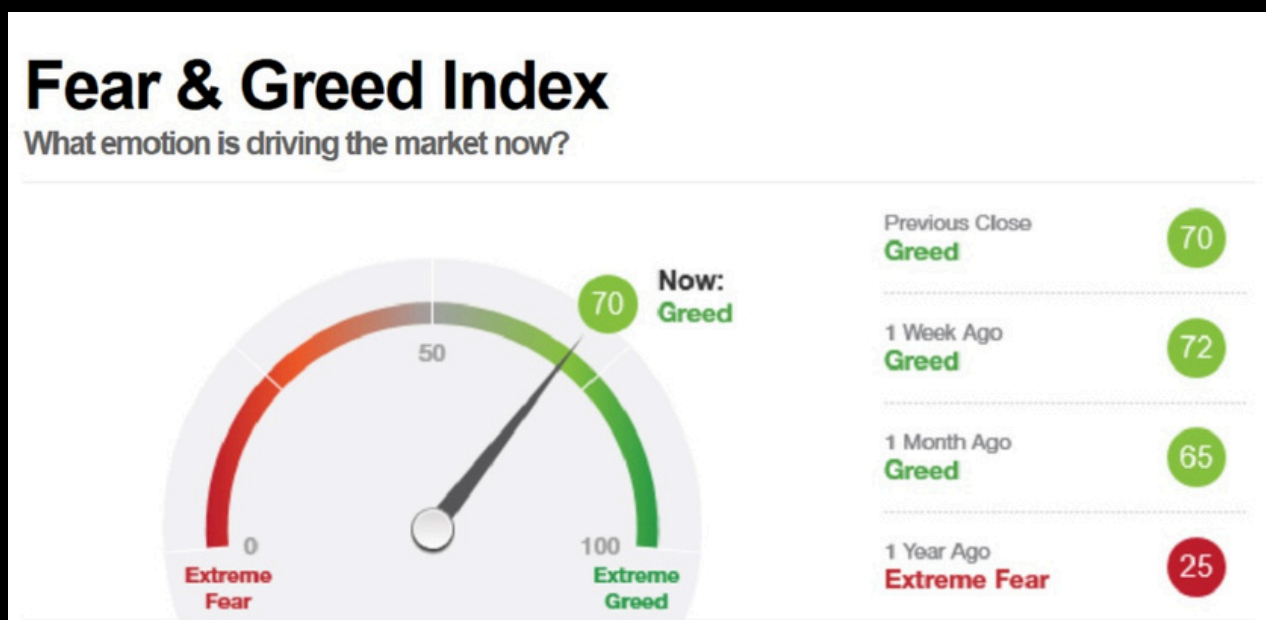
After tumbling in early 2020, global markets rebounded sharply on massive fiscal and monetary support. Inflation then surged into 2021–24, prompting central banks to hike rates aggressively. Despite these headwinds—and amid trade-policy skirmishes and geopolitical tensions—the world economy has shown surprising resilience, with the IMF raising its global growth forecast for 2025 by 0.2 percentage points to 3.0 percent. That revision reflects stronger-than-expected front-loading of imports before tariff hikes and easier financial conditions, including a weaker US dollar.

Market Turning Point: Bull vs. Bear Outlook for 2025

Analysts broadly agree that markets have “turned the corner.” It would not surprise me in the least to see the S&P 500 rising into a 5,350–6,350 range next year, underpinned by solid earnings and consumer spending. In 2025, market focus has been shifting from valuation expansion—where investors assign higher price multiples to a company’s earnings—to earnings growth, driven by stronger sales, better margins, and new revenue sources. Companies are expected to post mid-teen gains in both revenue and profit. Even historically cautious voices note that momentum remains positive, though vigilance on valuations and policy risks is always advised.

Investor Nervousness: What’s Holding You Back?

Despite the upbeat outlook, many retail and institutional investors remain on the sidelines. Yet history offers comfort: since 1929, the probability of a positive stock year following an up year stands at roughly 72 percent. At the same time, the CNN Money Fear & Greed Index sits in “Greed” territory—a sign that markets have already priced in much of the optimism.



Waiting for “perfect conditions” can be costly. JP Morgan’s analysis of a \$10,000 S&P 500 investment from 2003-22 shows missing the 10 best market days would have overall returns - from \$65,000 down to about \$32,500. Markets can produce concentrated gains in brief windows, and trying to time those moves often backfires.

The Way I See It

Now is the time to build your “Bullish Blueprint”. As markets begin to reward discipline and conviction again, it’s time to create a plan that positions you to benefit from the upswing - while staying grounded in your long-term vision.

At KPW Financial, we treat bullish strategies as a deliberate expression of your Life Plan. It’s not about chasing gains - it’s about participating in growth on your own terms.

Start with clarity. I’m sure you have often heard us speak about “Your Number”. Now is a great time to reaffirm your number. Your Number defines how much capital you need to live fully and securely without having to worry about money. It’s the filter through which every investment decision should pass.

Just as we constantly stress about the paramount value of market fundamentals, right now we are shifting our attention to looking at mutual funds containing underlying positions in businesses with strong fundamentals and resilient earnings. We are focusing our attention to sectors driving innovation and meeting essential needs. Sure! Trends can be sexy and offer valuable signals, but blindly chasing them often leads to portfolio drift and emotional investing, so we are tuned into distinguishing between noise and narrative.

We are always risk conscious so our current theme is to blend growth with protection. To that end we are evaluating tax-aware allocations, private credit, alternatives and structures that serve you and the generations ahead.

Being bullish doesn’t mean being reckless. It means including guardrails that keep you invested through volatility, and remind you why the plan exists: to serve your life, not the headlines.

Think of your Bullish Blueprint as a strategic expression of your long-term vision, not just a reaction to market momentum. In today’s ever-evolving environment, clarity and discipline aren’t luxuries - they’re your competitive edge. By aligning your investments with your Life Plan, filtering trends through purpose, and staying committed through volatility, you position yourself to grow wealth with intention and confidence.

At KPW Financial, we guide our clients to build lives worth investing in - because planning isn’t about predicting the future, it’s about shaping it.



Lifestyle Planning Solutions

by Ryan Simone, CFP, CLU, CHS

Now or Never: How Indecision Can Cost You

The most important part of lifestyle financial planning is showing clients how to do things now, while they still can, before it is too late. Many planners remain too focused on the numbers and products, and they forget or miss this crucial part of the client-centered planning process. On occasion I come across a client or potential client whose own life story is filled with valuable time wasted. A person who is “just waiting until ...” to do the things they want to do. I also hear these stories from my global network of lifestyle financial planners. Scenarios where people with enough money suspend what is most important in life for one reason or another.

A year or so ago, I wrote an article that was featured in Kleinburg Living Magazine. It was about a discovery meeting I had with a woman who held an executive position at a large company. She made lots of money and in our meeting, she came to the realization that she was spending money on the wrong things for her. This realization prompted a bigger discussion that led to us formulating a plan that would allow her to change careers, spend more time with her child, and do more of the things she wanted to do. Today she is living that preferred lifestyle that she had only envisioned a year or so ago. This is a happier story. Unfortunately, there are stories that do not play out this way.

Paul Armson is a lifestyle financial planner based out of the UK. Paul helped develop lifestyle financial planning into a legitimate and preferred planning framework. I'll share a story that he shared with me about a wealthy couple who met Paul in their 60s. This couple had lots of money, and the husband Barry drove a Bentley and was an avid collector of classic cars. Barry and Paul got on the topic of sailboats and Barry mentioned that he wanted a quality yacht but just couldn't "make a decision". Mostly, Barry didn't want to spend "all that money".

Ten years had passed, and Barry bought the yacht he always wanted. At 70 years old he was ready to start his boating adventure. Unfortunately, shortly after purchasing the boat, Barry's wife needed a new hip, and she went on a waiting list which meant they would have to put off their sailing adventures while they waited. Fortunately, Paul was able to convince Barry that he already wasted 10 years waiting to buy this boat and that he should immediately go and spend the money on a private surgery for his wife.

Paul tells me they went private, and she got a new hip. A short while later Barry's wife messaged Paul to tell him that Barry had discovered he had a serious illness and was now in palliative care. He would be dead in just a few months. He would die with too much money. I hate stories like that, but they should be told as a lesson in urgency. It is urgent that you begin planning for the perfect life and go live it. It is the job of the lifestyle financial planner to prove to you that you can do the things you want to do.

Now let's be clear, this is not about reckless spending. The message is not to go drain your bank accounts because tomorrow may never come. It is about identifying the things you value most and then creating a plan that puts emphasis on those values.

I have my own story, or rather, it's a developing story. For the last few years, I've wanted an Outrigger Canoe or OC1 as we call them. These boats look like a long thin kayak with a big bar called an ama that rests in the water on one side next to the boat. The ama keeps the boat from tipping over in a situation we refer to as a "huli". I have experienced a huli in some very suspect water around the Greater Toronto Area but fortunately no strange rashes to report on. It's a great little one-person boat for practicing dragon boat paddle technique. They're not cheap and I keep putting off buying one because "I should put my money elsewhere". Now, I probably don't spend enough time on my own life planning as I do my clients; however, at the risk of 'waiting too long', it may be time to spend a weekend updating my own plan, bust out the fat stacks of cash, and find myself a new boat. We can all get rid of that indecision we carry. All it takes is proper and comprehensive lifestyle financial planning.

I hope you're enjoying the last full month of summer. It goes quick, doesn't it?.



Wealth & Wisdom

By Kristina De Souza, CFP, CFDS, RNS

The Psychology of Wealth

Understanding your Money Mindset

After over a decade in financial planning, one truth stands out: intelligence doesn't guarantee good financial behavior. Some of the most successful, driven, and brilliant clients I work with, from executives to business owners, are still prone to financial blind spots. This is not because they lack the know-how, in fact most of them have read the books, tracked the markets, and build impressive portfolios.

The question remains, what is getting in the way?

The answer is that it is not the numbers, it's the psychology. Before I became a Certified Financial Planner, I earned a degree in psychology, a field that continues to shape the way I advise my clients every single day. I've always been fascinated by why we do what we do, especially when it comes to money. The truth is, our financial decisions are rarely purely rational: they are emotional, subconscious, and often deeply rooted in our earliest life experiences.

One of the most common patterns I see, especially in high-income households, is present bias. This refers to the tendency to prioritize immediate rewards over long-term outcomes. You may recognize it in decisions like booking an expensive vacation before reviewing your tax plan, delaying an estate plan because it doesn't feel urgent, or avoiding financial conversations with your partner because they are uncomfortable. This isn't about irresponsibility; it is human nature. Our brains are hardwired to value the present moment more than the future. However, when your income grows, so do the stakes, and so do the costs of short-term thinking.

Then there is lifestyle inflation, what we like to call silent wealth erosion. As income increases, so do spending habits. Suddenly, the private school, the country club membership, the upgraded vehicle, or the vacation home feels like a given. But left unchecked, lifestyle expansion often outpaces wealth accumulation and can leave even high earners feeling financially stuck.

Another subtle trap I see frequently is mental accounting, where we treat money differently depending on its source or label. For example, a six-figure bonus gets spent freely because it feels like 'extra', while investment income feels untouchable because it is 'for the future'. An inheritance can create decision paralysis because no one wants to be the one who 'messes it up'. Even though money is money, our brains categorize it, and that can lead to irrational decisions.

I often advise my clients that they don't need more spreadsheets, but rather, they need more self-awareness. Financial growth doesn't come from perfection, it comes from understanding your own behavior and building systems that protect you from your blind spots. This is where my psychology background really comes into play, helping clients recognize the emotional triggers behind their spending or avoidance. I guide them through separating values-based goals from ego-driven decisions and support them in building habits and systems that make progress automatic and sustainable. After all, when you understand the why behind your financial behavior, you are far more likely to shift it and stay consistent.

The most fulfilling financial plans aren't just technically sound—they're personally aligned. I start by helping clients clarify what they want their money to do, not just in five years, but across legacy, family, health, and lifestyle. This clarity eases trade-offs, informs big decisions, and lowers stress—priceless for those balancing business growth, family expectations, and personal well-being. Real wealth isn't just what you have; it's how you use it—consciously, confidently, and in line with the life you want. If you're ready to move beyond spreadsheets into a more human, values-driven approach, our team is built for that journey. Whether you're facing a career shift, liquidity event, or simply seeking more clarity, it starts with understanding the behaviors behind your money. The goal isn't just financial success—it's financial wellness.



Beyond Headlines

Real Market Intelligence

By Dr. Jonathan Simone PhD

Decoding the Data

Making Sense of Investment Metrics

Part 2: Understanding Risk Through Standard Deviation

“Risk comes from not knowing what you’re doing.” – Warren Buffett

Last month, we looked at the mean, or average, as a way of summarizing portfolio performance over a given period. Averages are useful because they condense a series of results into a single, easy-to-read figure, making it possible to compare investments without wading through pages of data. The trouble is, the mean doesn't capture what it felt like to earn that return—it tells us where we ended up but ignores how we got there. Two portfolios can post the same average return and yet behave in entirely different ways. One might advance in a steady, almost predictable rhythm, while the other swings from strong gains to deep losses and back again.

Those differences matter because investors live through each fluctuation, not just the neat summary at the end. You may finish the year with an average return at or above expectations, but if you're down early on, the uncertainty of what comes next can steal focus from the long-term plan. These fluctuations, or deviations from the average, are often referred to as volatility—and measuring volatility is a central part of understanding risk.

That's where standard deviation comes in. It's the most common way to measure volatility, showing how far individual results tend to fall from the average. For a series of monthly returns over a given year, the standard deviation tells us how much each month's return typically differs from the average annual return. When monthly returns stay close to the average, it suggests a steadier, more consistent pattern with few surprises. But when returns scatter—some far above, others far below—the ride is less predictable, with bigger swings that are harder to ignore, even if the end result may be the same. That's why we don't look at volatility on its own, but always in the context of overall performance.

Consider two portfolios, each with an average annual return of 7%. Portfolio A has a standard deviation of 3%, meaning most years falls within a few percentage points of that average (between 4% and 10%), with few surprises. Portfolio B has a standard deviation of 15%, which meaning returns have often ranged from losses of 8% to gains of 22%. Based on their end-of-year returns, the two appear equally rewarding. In practice, however, they offer very different lived experiences.

Portfolio A's results are likely to feel stable and predictable, making it easier to stay on course over the long term. Portfolio B's larger swings require greater tolerance for uncertainty and a stronger stomach for volatility—watching account values rise and fall can be unnerving, especially when the journey starts with a double-digit loss before rebounding. Both portfolios may end the year with the same average return, but the path, and the emotional toll, can be dramatically different. On the other hand, if Portfolio B's greater volatility comes tied to a substantially higher return, that same risk may become more appealing, and investors might be willing to accept the larger swings for the opportunity of greater rewards.

That's where standard deviation adds value for investors. It doesn't just measure volatility; it provides a lens to evaluate whether a strategy matches your risk tolerance. If two portfolios can deliver the same return, choosing the one with less volatility may help preserve discipline, reduce the temptation to exit during downturns, and support better long-term outcomes. Equally important, knowing what kind of swings are typical helps set realistic expectations, so investors are less likely to make reactionary changes when markets get turbulent. A chart reviewed after the fact can make those swings look manageable, living through them is a different story.

In essence, knowing the historical standard deviation helps investors better tolerate inevitable down periods or validate changes aimed at achieving returns with less risk. Understanding it is key not just for picking the right portfolio, but for sticking with your plan when conditions get tough. Yet standard deviation alone won't explain what's driving the volatility—market shocks, sector swings, or changes in the economy can all play a role, and their impact ranges widely across assets and time periods.

Volatility also looks different depending on what you invest in and over what period you measure it. Government bonds typically show far lower standard deviations than equities, while small-cap or emerging market funds often display much higher variability. Even within equities, a concentrated sector fund can behave very differently from a broad-market index.

Time horizon matters as well. Monthly returns can appear choppy even when the annual figure seems well behaved, and a generally calm year can still hide a few sharp swings. Understanding these patterns helps put standard deviation into perspective, and it's also a reminder that the number itself doesn't tell the whole story, which is why it's worth knowing where the measure has its blind spots.

For instance, it is important to remember that a standard deviation describes the past but cannot predict the future. A portfolio that has been stable under one set of conditions can become volatile when those conditions change, just as a volatile portfolio can stabilize given the right circumstances. Likewise, the volatility measured by standard deviation weighs upside and downside moves equally, even though most investors are far more sensitive to losses than to gains, which is why it is more appropriate to think of volatility in terms of both risk and opportunity (a topic we'll flush out more in next month's issue). Finally, standard deviation ignores other forms of risk entirely, such as being too concentrated in a single sector or holding assets that are hard to sell when you need to. Only if these risks are realized in a way that affects portfolio return will they be reflected in the standard deviation measurement.

Knowing these limits is key to its correct interpretation and utility: standard deviation can describe variability, but it cannot capture every risk an investment carries. It exists to describe the mean, to show how widely results have varied around that central number. In doing so, it turns a simple average into something far more informative.

Any analysis of performance and risk starts with the mean and the standard deviation. The mean captures performance by showing the average result over time. Standard deviation captures risk by showing the range of outcomes around that average—the volatility that shaped the investor's experience. Alone, each leaves part of the picture missing. Together, they form the starting point for performance and risk analysis, offering a clearer view of both the reward achieved and the uncertainty involved.

Next month, we'll take these concepts a step further by showing how volatility, while commonly viewed as a risk, can also create opportunities for long-term investors. Using real-world examples and case studies, we'll explore how understanding volatility, and the standard deviation that measures it, can help shape portfolio strategies that align with your long-term goals. We'll discuss how recognizing and harnessing market swings can support disciplined investment, and when volatility can actually work to your advantage. See you then.



High Gear, Low Risk?

The Art of Leveraging Conservatively

By Sergio Simone

Leverage simply means using borrowed money to invest. In our market, that often takes the form of B2B Bank's 2:1 and 3:1 programs, where you contribute your capital and the lender multiplies your market exposure. When asked about how I feel about leveraging, my stance is neutral: leverage isn't inherently good or bad—it's potent. For the right investor, it can accelerate outcomes; for the wrong one, it can magnify regret.

Investors are drawn to leverage because gains compound on a larger base, potentially reaching long-term goals sooner. It can free you to stay diversified without selling existing holdings or triggering taxes, and the routine of fixed payments can add welcome discipline through market cycles. There may also be tax benefits: in Canada, interest on money borrowed to invest in income-producing assets is often deductible—confirm your eligibility with a qualified tax professional before proceeding.

The hazards mirror the promise. Losses are magnified in downturns, and the sequence of returns matters: early declines while debt payments continue can be punishing. Rising rates or a wobble in personal income can turn a manageable plan into stress. Loan covenants and collateral requirements can force deleveraging at precisely the wrong time. And the psychology of watching a volatile portfolio while carrying debt can push even seasoned investors into impulsive decisions that lock in losses.

Who tends to be a good fit? Think of someone with stable, ample cash flow that easily covers loan payments and living costs, plus a long horizon—seven to ten years or more—to ride out full market cycles. They've demonstrated the temperament to stay invested in downturns, and leverage is an add-on to an already solid foundation: adequate emergency savings, a diversified core portfolio, and no high-interest consumer debt. They value rules over hunches: documented rebalancing, preplanned prepayments, and a clear exit plan. Conversely, investors with unstable income, tight budgets, near-term spending needs, or a tendency to sell in panic should avoid borrowing to invest until those issues are resolved.

I hold a simple philosophy. There are two broad ways to take risk: apply a conservative strategy to aggressive investments, or apply an aggressive strategy to conservative investments. The first camp might avoid leverage but diversify into growth-oriented sectors within a rules-based framework. The second might use leverage—but pair it with low-volatility, diversified funds and a strict playbook. To use a baseball analogy, we don't need to swing for the fences. If we keep hitting singles—steady compounding with controlled risk—we can still post home-run-like results over time.

By applying these principles, we can see how a well-structured investment strategy can yield impressive results over time.

A 3:1 investment structure, starting with \$400,000 on day one (\$100,000 equity and a \$300,000 loan), mapped to the S&P 500's total returns, over the last ten full calendar years (2015-2024) would have grown to roughly \$1,370,295. After repaying the \$300,000 principal, the ending equity would be about \$1,070,295. This results in a compound annual growth rate of approximately 26.8% per year on the investor's original \$100,000 - before financing costs - highlighting the powerful effect of compounding on a larger base.

To illustrate the carrying cost, we assume a net interest expense with an average annual rate of 4.75%, interest-only payments from outside cash, and a 50% tax bracket. Under these assumptions, the after-tax interest cost equals \$7,125 per year ($\$300,000 \times 4.75\% \times 50\%$ ([personal tax rate])), or \$71,250 cumulatively over ten years. Considering these out-of-pocket flows, the investor's internal rate of return on their \$100,000 (plus the annual interest payments) is approximately 23.7% per year over the decade. The difference between the roughly 26.8% gross compound annual growth rate (CAGR) and the roughly 23.7% net internal rate of return (IRR) represents the true cost of leverage in this scenario—modest relative to the outcome here, but very significant if markets take a rougher path.

I should mention that over the same 2015–2024 period, the S&P 500 delivered an annualized total return of about 12.84%, highlighting how the 3:1 leveraged strategy in the example significantly outpaced the index's own compounded growth rate.

Leverage will never be a universal solution. But with the right time horizon, stable cash flow, and a calm temperament—plus guardrails like stress tests, staged entry, and a documented unwind plan—B2B Bank's 2:1 or 3:1 programs can serve as the “aggressive strategy applied to conservative investments” that keeps you hitting singles, inning after inning, until the scoreboard looks a lot like you've been hitting home runs all along.

In closing, while there are several ways to access leverage - from traditional lines of credit to institutional margin programs - I continue to prefer B2B Bank's 3:1 solution for its structural advantages. Chief among them is the availability of non-callable loans, which offer critical stability in volatile markets. Unlike margin accounts or Lines of Credit that may be subject to sudden margin calls in a falling market. A non-callable loan ensures your strategy remains intact even when markets dip.

Additionally, B2B's program uses the borrower's pledged investment amount as collateral, rather than tying up a home or other personal assets. This separation of personal and investment risk is not only cleaner, it's safer.

In my opinion B2B Bank offers one of the more resilient and disciplined tools for long-term growth.



Trusts on the Rise

Why More Families Are Turning to This Powerful Tool

By Sergio Simone

In recent years, trusts have moved from being the preserve of ultra-wealthy families to an accessible, flexible strategy for a wide range of households. Their appeal lies in the ability to protect assets from unforeseen risks, control distribution over time and across life stages, minimize taxes where applicable, and ensure privacy in estate matters— benefits that can resonate with anyone thinking seriously about the legacy they want to leave.

Driven in part by shifting tax laws, increased awareness of estate planning, and a desire to safeguard assets from unforeseen risks, more Canadians are exploring how trusts can fit into their wealth management plans. For parents with young children, a trust can guarantee that assets are managed according to their wishes until the children reach a certain age. For business owners, it can shield assets from potential creditors. For blended families, trusts can ensure fair and intentional distribution to both a surviving spouse and children from previous relationships.

Some of the most popular trusts include revocable living trusts, which can be altered during the grantor's lifetime and are primarily used to avoid probate and maintain privacy; irrevocable trusts, which are generally more rigid but provide stronger asset protection and potential tax benefits; testamentary trusts, which are created upon death through a will; charitable remainder or lead trusts, designed to blend philanthropic giving with tax efficiency; and family trusts, which pool resources for multi-generational stewardship.

Setting up a trust is a deliberate process that begins with clearly defining objectives—whether that is protecting assets, creating tax efficiencies, supporting a cause, or guiding family governance. Choosing the right trust type is essential, as is selecting a trustee, whether an individual or a corporate body, who can fulfill fiduciary responsibilities with integrity and competence. Once the trust is drafted, it must be funded by transferring in the selected assets, which can include investments, real estate, or business holdings. From there, the trust requires regular review to ensure that it remains aligned with evolving laws, tax codes, and family dynamics.

Ultimately, trusts are gaining ground because they offer a rare combination of control, protection, and privacy. When executed thoughtfully, they can provide not just a legal framework for asset distribution, but also a lasting legacy of intention and stewardship.

While the advantages can be significant, the decision to establish a trust isn't purely financial — it's also deeply personal. The right trust structure reflects not just your assets, but your values, relationships, and goals. However, trusts aren't one-size-fits-all; they carry legal, administrative, and tax implications that must be carefully considered. That's where working with experienced professionals becomes essential.

At KPW Financial we believe that a trust is an expression of your values and a blueprint for the future you envision. Because every family's goals, assets, and circumstances are unique, the decision to establish a trust should be guided by a clear understanding of both its benefits and its responsibilities. Our team works closely with clients to evaluate whether a trust aligns with their broader wealth strategy, design the right structure, and coordinate with legal and tax professionals to ensure it delivers lasting value. If you're considering a trust, let's explore the possibilities together and determine whether it's the right tool to protect and grow your legacy.

Real-Life Examples of Trusts in Action

Young Family Planning for the Unexpected - Emma and Daniel, both in their mid-30s with two young children, wanted to ensure that if anything happened to them, their children's inheritance would be managed wisely. They set up a testamentary trust in their wills, appointing both a trusted friend and a professional trustee. Funds are released in stages at ages 21, 25, and 30, with allowances for education and medical needs beforehand — giving them peace of mind and long-term security for their kids.

Business Owner Protecting Assets - Raj, a 52-year-old manufacturing business owner, worried about potential lawsuits in his volatile industry. He created a discretionary family trust to hold his company shares, separating personal wealth from business risk and enabling income splitting within his family. The result? Extra protection without disrupting operations, plus notable tax efficiencies.

Blended Family with Complex Needs - Linda, 60, remarried with adult children from a prior marriage, wanted to provide for her husband while safeguarding her children's inheritance. She established a spousal trust granting her spouse income for life, with the principal going to her children after his passing. This structure balanced both sets of needs and reduced the risk of future disputes.

While these scenarios highlight the versatility of trusts, the decision to create one isn't purely financial — it's deeply personal. The right trust structure should reflect your assets, values, relationships, and goals. However, trusts carry legal, administrative, and tax implications that must be carefully evaluated, making expert guidance essential.

DISCLAIMER

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. Mutual funds are not guaranteed and are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Fund values change frequently and past performance may not be repeated.

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.

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