



Important Topic: 2023 New Year Checklist

1. 2022 Tax Preparation

We are planning to email clients Tax Checklists in mid-March.

If you are planning on filing your taxes early, please let us know so we can provide your information sooner.

2. RSP Contributions

Deadline for 2022 RSP contribution is March 1, 2023.

2022 Contribution limit is 18% of earned income (i.e., not from investments) to a maximum of \$29,210.

2023 Contribution limit is a maximum of \$30,780. One has until March of 2024 to make 2023 contributions, but the sooner it is made, the sooner the funds can begin to grow.

3. TFSA Contribution

There is no deadline, however the sooner the contributions are made, the sooner the funds grow tax free.

2023 calendar year contribution limit is \$6,500. If you have missed any past years, you can catch up at any time.

Any funds removed can be recontributed in the next calendar year (after Jan 1 of the following year)

4. RESP Contributions

There is no deadline, however the sooner the contributions are made, the sooner the government grant is received, and the sooner gains are no longer taxed.

2023 Recommendation: \$2,500 per child (or \$5,000 per child if you have missed a past year)

5. Tax Planning Strategies for 2023

It is worthwhile to consider your expected income level for 2023. If this amount exceeds \$92,000 tax planning strategies can be very valuable.

You may wish to consider specific opportunities such as Flow Through shares.

6. Wills

Be sure that your Will is updated and reflects your current wishes. If you do not have one, I beg and plead with you to get one.

If one passes without a will, one's assets are distributed according to the government and the process is more difficult and time consuming.

7. Insurance Strategies

Review your needs and ensure your policies are appropriate. We include insurance strategies as a meeting agenda item. We can work together with you and TD Specialists to show you how Life Insurance can be an important part of a long-term tax-efficient investment plan.

For contributions you can:

1. Deposit cash on-line from your bank account. (If you do not bank with TD Canada Trust (TD) you can set up your TD Investment Account as a Payee for an online bill payment)



2. Ask us to transfer securities or cash from your nonregistered accounts
3. Send a cheque payable to TD Wealth to us at 5140 Yonge Street, Suite 1600, North York, Ontario M2N 6L7
4. Deposit a cheque directly to your account at any TD branch – you will need your TD Investment Account number.

Market Update – January 2023

January was a strong month in the markets. Global Small Caps, International Equities and Global Real Estate led the way, each up around 9% in the one month. Even the bond market was up 3%.

While a recession in 2023 is still expected by almost all prognosticators, there is more talk of the possibility of a ‘soft landing’. In other words, while the economy is expected to weaken (this is goal of the Federal Reserve in the US raising interest rates), it is possible that it avoids a recession. This difference may be significant, even if only psychologically.

To those who became fearful, anticipating a recession and moved to the sidelines, January was yet another strong example of how one cannot time the market. It is very difficult, if not impossible, to invest successfully in the markets based on economic data and

prognostications. Missing a month like January can really hurt one’s long-term returns.

With the Bank of Canada putting future interest rate increases on hold, and the US Federal Reserve slowing its increases, it appears that we are near the top of the interest rate cycle. The goal of these increases was to slow economic activity which would in turn lower inflation. It appears that this is working. Inflation appears to have peaked last year and is on its way down. While I am skeptical that inflation will return to the Government’s target rate of 2% soon, a decrease to 3-4% would put inflation at its long-term average. Such a rate is certainly low enough for the economy to recover and expand.

I have had several inquiries about GIC rates. Banks are offering around 5% for a one-year GIC and some are wondering if this is a worthwhile investment. I would like to make two points. First, this is an indication of how interest rates have increased. And as the increase can be seen in the GIC rates, they can also be seen in the government and corporate bonds that our managers are buying. It can also be seen in the pricing of other instruments, such as options. The result is that we expect an increase in the return from almost all, if not all, of our fixed income and income focused investments. The vast majority of these are expected to produce returns more than 5%. Second, while the one-year GIC is just under

Index	Month	Year to Date
Bonds FTSE Canada Universe Bond Index - CAD	3.0%	3.0%
Canadian Equity - S&P/TSX 60 Index - CAD	7.40%	7.40%
US Equity – S&P 500 - USD	6.10%	6.10%
International – MSCI EAFE Index - USD	9.0%	9.0%
Emerging Markets - MSCI Emerging Markets Index - CAD	7.60%	7.60%
Real Estate - Dow Jones® Global Real Estate Index - USD	9.40%	9.40%
S&P/TSX Preferred Share Index - CAD	7.70%	7.70%



5%, the 2 year is 4.5%, the three year is 4.3% and the five year is 4.1%. In other words, rates are expected to fall. Grabbing a 5% return for one year might be attractive for a short time, but when it comes due we may be looking at reinvesting at a considerably lower rate.

I believe the focus remains, and must remain, on the long term. One's focus should remain on investing in strong companies that have the opportunity and the potential and can weather the inevitable storms and still prove profitable. One should invest for the long term

and ignore short term fluctuations and forces one cannot control. Mostly one should focus on one's own life, plan, and goals. At the end of the day that is all that truly matters.

Looking forward we see the short term as rather rocky but remain positive in the medium and long term. We continue to invest new funds (finding some good opportunities) and monitor our positions closely.

Have a great month and let us know if there is anything we can do for you,

- Meir

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