



Tax Extension 2024

With the ongoing discussions about tax changes for the 2024, CRA has announced a filing extension for individuals and trusts that realized a capital gain or loss in the 2024 calendar year.

For Individuals:

T1 personal income tax returns – T1 Individual tax return filers impacted by the announced changes to the capital gains inclusion rate (which we have reason to believe means any taxpayer that is reporting a capital gain or loss in 2024) will have until June 2nd, 2025 to file their T1 return without late filing penalty or arrears interest. This is an extension from the normal April 30th, 2025 filing deadline and does not appear to affect T1 filers that would have a June 15th, 2025 deadline. T1 returns without any capital dispositions in 2024 will still have a filing deadline of April 30th, 2025.

For Trusts:

T3 Trust income tax returns – T3 Trust tax return filers impacted by the announced changes to the capital gains inclusion rate (which we have reason to believe means any trust that is reporting a capital gain or loss in 2024) will have until May 1st, 2025 to file their T3 return and slips without late filing penalty or arrears interest. This is an extension from the normal March 31st, 2025 filing deadline and applies to Trusts with a December 31st, 2024 taxation year end date. T3 returns without any capital dispositions in 2024 will still have a filing deadline of March 31st, 2025.

<https://www.canada.ca/en/revenue-agency/news/e-services/canada-revenue-electronic-mailing-lists/businesses-tax-information-newsletters/businesses-newsletter-2025-02-27.html>

We inquired about the T1135 foreign property form, and have no concrete answer on this, so if you are required to submit this, please ensure it is filled by the appropriate deadline, which is March 31st for trusts and April 30th for individuals.

We have now sent all of our clients their tax checklist for the 2024 calendar year. We are all here to answer any questions regarding your taxes.

Understanding Powers of Attorney: A Key Part of Your Financial and Personal Plan

Investment management is both an art and a science, requiring discipline, expertise, and consistency. A fund begins experimenting in unfamiliar asset classes or strategies outside of its expertise.

We always discuss the importance of having a Will in place, but having a Power of Attorney in place is just as important.

Someone who is young and single may not think they need to have a Will, as they do not have a lot of assets, but what happens to that person if they get ill or incapacitated.



A **Power of Attorney (POA)** is a legal document that grants someone the authority to make decisions on your behalf if you're unable to do so. It plays a crucial role in financial management, healthcare decisions, and ensuring your wishes are respected.

Types of Powers of Attorney

1. Power of Attorney for Property:

- Covers financial matters such as banking, investments, and real estate transactions.
- Can take effect **immediately** or **only if you become incapacitated**.
- Should be assigned to someone **trustworthy and financially responsible**.

2. Power of Attorney for Personal Care:

- Covers medical decisions, housing arrangements, and personal care if you're unable to decide for yourself.
- Only comes into effect when you are deemed **mentally incapable**.
- Can include **specific instructions** (e.g., end-of-life care preferences).

Common Misconceptions About POAs

- A POA **does not take away your rights** — you can still make decisions as long as you're capable.
- A **Will is not a POA** — a POA only applies while you are alive.
- If you do not have a POA, the government or a court-appointed guardian may take control of your affairs, which can lead to **delays, expenses, and decisions that may not align with your wishes**.

Who Should You Choose as Your Attorney?

Selecting the right person is critical. Consider someone who is:

- ✓ Financially responsible (for property POA)
- ✓ Willing and capable of making tough decisions
- ✓ Familiar with your values and wishes
- ✓ Not facing financial difficulty (to avoid conflicts of interest)

Risks & Safeguards

- **Financial abuse** is a concern if the wrong person is given control. Adding **co-attorneys or requiring dual signatures** can help prevent misuse.
- **Regular reviews** ensure the POA remains aligned with your needs and relationships.
- Consider involving a **lawyer or professional advisor** to structure your POA properly.

Updating & Revoking a POA

A POA should be reviewed and updated due to **life changes**, such as:

- ✓ Marriage or divorce
- ✓ A change in health status
- ✓ A shift in financial circumstances
- ✓ A falling-out with the appointed attorney

Revoking a POA requires **written notice**, and it's best to notify banks, legal representatives, and any relevant institutions.

Final Thoughts

A well-structured POA protects your interests and gives peace of mind to you and your loved ones. If you haven't yet set one up—or if it's been years since you reviewed yours—now is the time to ensure it reflects your current wishes.

Market Update – March 2024

One thing that the market and people do not like is uncertainty. Donald Trump inherited a growing economy, low unemployment, and low inflation. With the wind at his back, he then decided to place a great deal of uncertainty into the market, which resulted in a large spike in volatility (many days with the market up 1% or down 1% or more) and a greater sense of unknown about what the future holds.

People are feeling especially emotional because of the political landscape. For non-Trump voters, their greatest fears are coming to fruition. "Oh my god. I knew it. He's going to crash the market. Why didn't I sell?" For Trump supporters, there's a feeling of, "Wait. I thought we were getting deregulation, lower inflation, and a pro-growth agenda. This is not what I was expecting!"

Nobody likes it when their portfolio goes down, but it's easier to stomach when it's coming from inside the market. A self-inflicted wound with no end in sight has people on edge.

We are here to remind you that volatility and market downturns are common and are part of the price of entry to receive returns above the rate of money market or a GIC.

For the US Stock Market (S&P500 from 1928 -2023)

- The market goes down 5% from its peak in 94% of years
- The market goes down 10% from its peak in 64% of years – about every 1.5 years
- The market goes down 15% from its peak in 40% of years - about every 2.5 years
- The market goes down 20% or worse in 26% of years – about every 3.8 years

Although uncomfortable, these events are all expected and built into your financial plans.

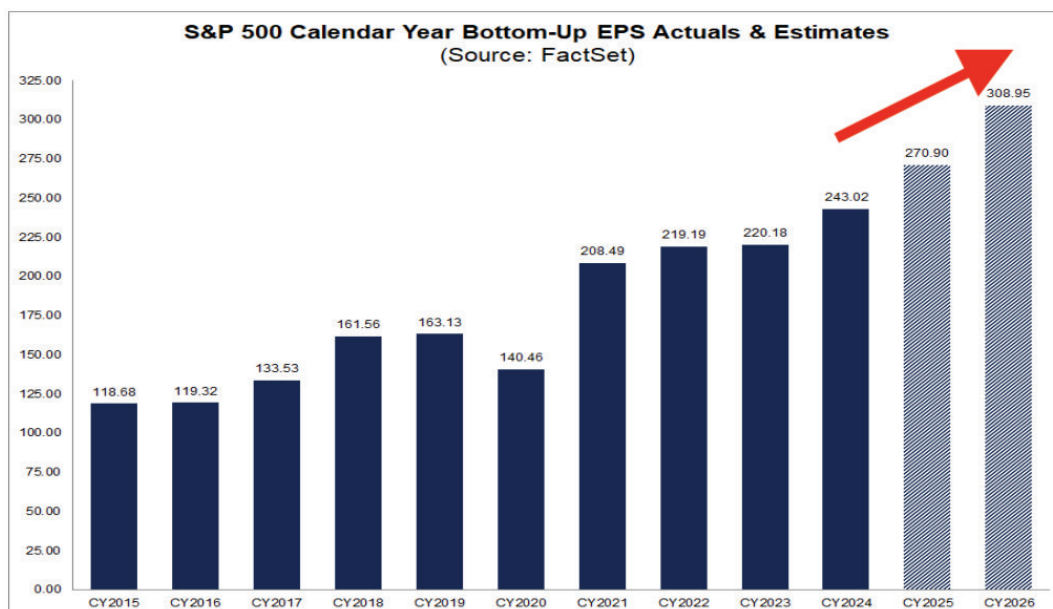
We're not trying to minimize the pain or the fear, or saying that it's going to get better tomorrow, but we will get through this. We don't know if it takes a month, a year, or more, but eventually, the tariff/growth scare will have been nothing more than another reason to sell.



Our belief is that Trump has always worn the stock market as a badge of honour and if the market does correct, our belief is that he will change course and claim victory for saving the day.

Currently balance sheets both personally and corporately are in good shape. The Federal Reserve tried its best to cause a recession and failed as the American consumer kept spending.

Analysts still expect double digit earnings growth in 2025 and 2026. All this could mean that companies are in relatively good position to manage the new tariffs.



We remain cautious about the short term and positive and optimistic about the medium, and long term. Most importantly, we are confident that working together we are able to meet your, our client's, objectives. At the end of the day this is all that truly matters.



We are here if you have any questions about the current investing and political environment.

| Index | Month | Year to date |
|---|---------|--------------|
| Bonds FTSE Canada Universe Bond Index - CAD | - 0.20% | 2.00% |
| Canadian Equity - S&P/TSX 60 Index - CAD | - 1.90% | 1.80% |
| US Equity – S&P 500 - USD | - 5.80% | - 4.60% |
| International – MSCI EAFE Index - USD | 0.20% | 8.10% |
| Emerging Markets - MSCI Emerging Markets Index - CAD | 0.50% | 4.40% |
| Real Estate - Dow Jones® Global Real Estate Index - USD | - 2.30% | 2.40% |
| S&P/TSX Preferred Share Index - CAD | - 0.20% | 2.70% |

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

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