

February 2025

## The Monthly

With this commentary, we plan to communicate with you every month about our thoughts on the markets, some snapshots of metrics, a section on behavioral investing and finally an update on MacNicol & Associates Asset Management (MAAM). We hope you enjoy this information, and it allows you to better understand what we see going on in the marketplace.

*"To Donald Trump, from one old guy to another, give your head a shake!"*

— Former Prime Minister Jean Chretien

The Numbers:

<u>Index:</u>	<u>2025 YTD:</u>	
S&P/TSX:	3.3%	
NASDAQ:	1.6%	
Dow Jones:	4.7%	
S&P500:	2.7%	
<u>Interest Rates:</u>	<u>Canada</u>	<u>USA</u>
90-Day T-Bill:	2.8%	4.3%
5-Year Bond:	2.6%	4.4%
10-Year Bond:	2.9%	4.4%
30-Year Bond:	3.2%	4.6%
<u>Economic Data:</u>		
<ul style="list-style-type: none"> <li>Stocks in markets other than India and Shanghai start 2025 positively</li> <li>Commodities excluding Natural Gas higher to begin the year</li> <li>The Canadian dollar falls to levels last seen in April 2003 [\$0.67]</li> <li>US President Donald Trump kicks off trade wars</li> <li>BITCOIN reaches CAD \$152,000 before pulling back slightly</li> </ul>		

### Valuation Measures: S&P 500 Index

<u>Valuation Measure</u>	<u>Latest</u>	<u>1-year ago</u>
P/E: Price-to-Earnings	30.3	26
P/B: Price-to-Book	5.2	4.8
P/S: Price-to-Sales	3.1	2.6
Yield: Dividend Yield	1.23%	1.5%

### 2025 Year-to-Date by Sector:

S&P/TSX Composite	3.3%
NASDAQ	1.6%
Dow Jones Industrials	4.7%
S&P 500	2.7%
Russel 2000 (Small Caps)	5.0%
MSCI ACWI ex-USA	-1.1%
Crude Oil Spot (WTI)	3.1%
Gold Bullion (\$US/Troy Ounce)	6.4%
SOX Semiconductor Index	-5.1%
VIX Volatility Index	-6.5%
Source: Canaccord Genuity Capital Markets & Thomson Reuters	

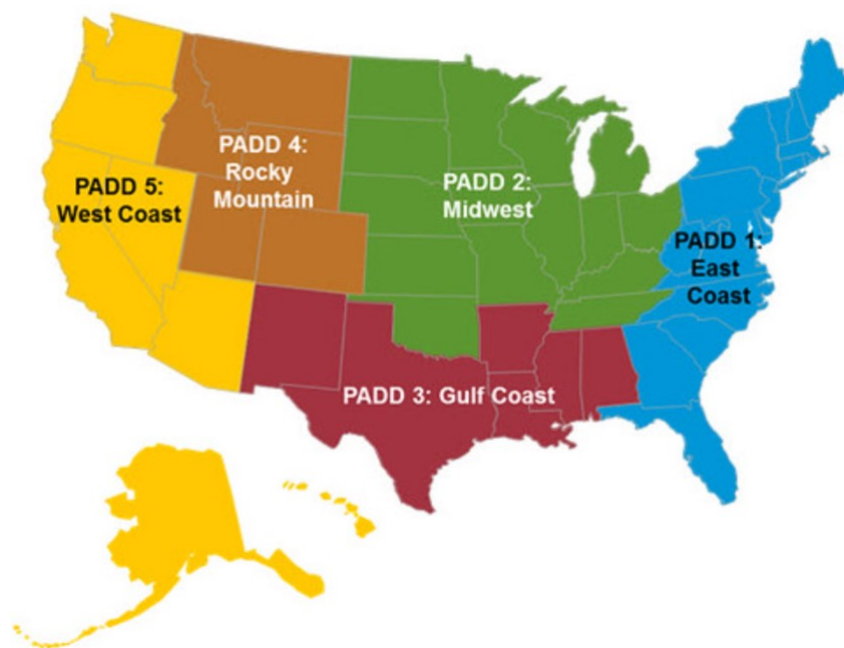
## Foreign Exchange - FX

As of February 11, 2025 10:00 AM EST	\$5,000	Cdn		
Banks	Rate	Buy USD	Cost	% Difference from Spot Rate
CIBC	No Public Rate Posted Online			
Interactive Brokers	1.4456	\$3,459	\$(32)	-0.9%
Laurentian Bank	No Public Rate Posted Online			
National Bank	1.4690	\$3,404	\$(87)	-2.6%
Raymond James	1.4495	\$3,449	\$(42)	-1.2%
Royal Bank	1.4601	\$3,424	\$(67)	-1.9%
Scotia	1.4681	\$3,406	\$(85)	-2.5%
TD	1.4566	\$3,433	\$(58)	-1.7%
Canadian Snowbird	1.4778	\$3,383	\$(108)	-3.2%

## Oh yeah? Well then get your own Uranium...

Last week, Howard Lutnick, President Trump's candidate for Commerce Secretary opinioned that Canada and the United States could avoid a messy trade war if Canada put a stop to illegal immigration and the trafficking of fentanyl *into* the United States. The incredulous gasps were heard not only in Ottawa but in many American cities too. Canada only has 40.2 million people and 7.4 million of them are children while 7.6 million of them are senior citizens. The exasperation stemmed not only from the sheer stupidity of suggesting that America's problems with illegal immigrants and narcotics originate in Canada but because many of the tariffs themselves would theoretically harm American consumers and business too. Perturbing the situation further was that most of us understood that tariffs would not be implemented until March of this year. Trump himself indicated [twice] that the tariffs were moving forward but as we have come to expect with this administration: we never really know what to expect with this administration. So, a heavy dose of caveat emptor is needed here because - depending on the exact day you read *The Monthly* – the situation around tariffs may have changed drastically. As to whether or not Trump and Lutnick are reading from the same playbook or playing with a “full deck” are beyond the scope of this publication. What is within the scope of this publication is the potential investment implications of Trump's trade war with Canada. Since a report of this nature could easily run several dozen pages, we thought it would be a good idea to isolate only the areas of the Canadian equity market **most likely** to be impacted by Trump's tariffs if indeed they are implemented at the rates currently being talked about. Our broad-based advice to investors is stay put and do not make any sudden reactions: attempting to rationalize Trump's moves would be a lot like attempting to rationalize the behaviors of a wild boar. Another point worth noting is that although Canadian public companies derive more than 30% of their revenues from the United States, the proportion of those sales coming from goods rather than services is a good deal smaller. Also worth keeping in your back pocket is the weaker Loonie, which we opine on in a separate piece latter on. Canadian exporters could in theory adjust their prices downwards to contend with the threats more effectively while taking in revenues denominated in more muscular US dollars. Additionally, there are certain areas of the Canadian equity that are thought to be unaffected by tariffs [that's not 100% true] but we would suggest that heavy-weight sectors like financials and information technology [which includes our telecom providers] wouldn't be directly impacted by tariffs, and this is actually a good thing as several companies in those sectors are struggling with problems of their own.

To get a sense of where in the Canadian equity market you have a heightened sense of awareness, you should start by understanding the **main** goods that Canada sells to the Americans. At the very top of the list is energy. Of the \$600 billion worth of goods that Canada exports to the United States nearly \$150 billion of them are energy products. That's a ton of energy and 85% of it alone comes from energy powerhouse Alberta. The Enbridge Mainline System [North America's largest energy pipeline] is the main conduit by which petrochemical energy from western Canada is pumped to the US Midwest or what the industry terms PADD2<sup>1</sup>. Given the sheer quantum of energy being funneled to the US and energy's strategic importance, President Trump has wisely opted to "only" apply tariffs of 10% to Canadian energy imports versus 25% on all other Canadian goods. Perhaps the President realizes that drilling for oil is actually quite difficult and not a job for babies.

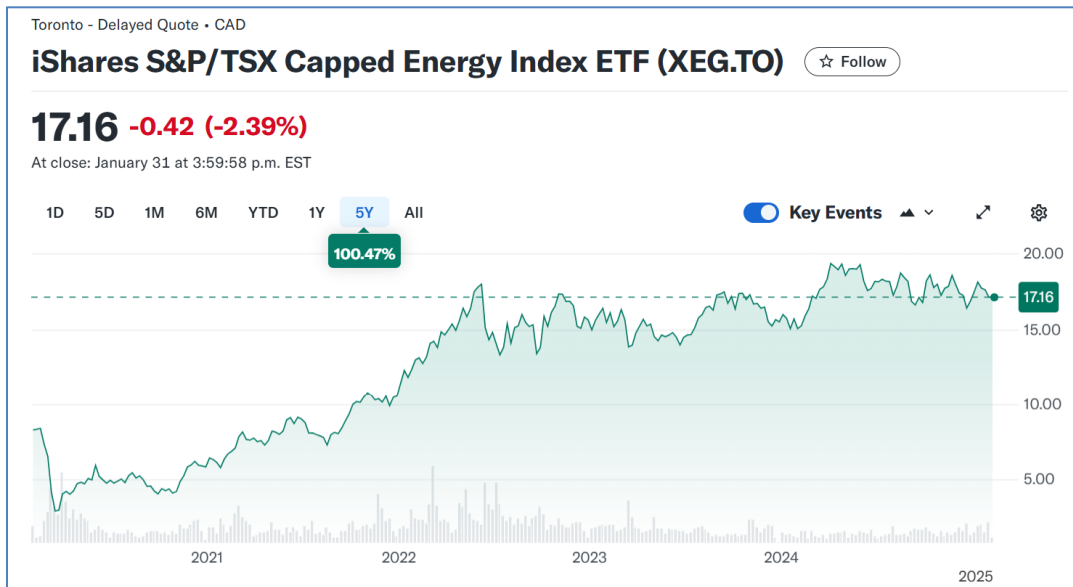


But that 10% tariff could nonetheless potentially impact a *huge* number of Canadian energy companies, which we of course will not cover all here. Luckily, of the literally tens of dozens of energy companies that we have in Canada, just five represent 73% of the weight of the S&P/TSX Capped Energy Index: Suncor [SU.TO], Canadian Natural Resources [CNQ.TO], Cenovus Energy [CVE.TO], Tourmaline Oil Corporation [TOU.TO] and Imperial Oil [IMO.TO].

Canadian oil and gas players had a great set up heading into 2023 and 2024. The hard times of the COVID 19 pandemic made our companies lean, mean and green with profits. But the more recent performance of Canada's big 5 has been uneven. For instance, shares in Suncor, Imperial and Tourmaline have done a good job of holding on to the gains earned in the previous 18 to 36 months. On the other hand, shares in Canadian Natural Resources, which peaked last April and shares in Cenovus, which also peaked last April have dripped back down the lower end of their respective trading ranges established in the first half of 2022. A 5-year wide screenshot of the S&P/TSX Capped Energy Index ETF is shown on page 4, and it does give you a sense that the sector is holding its own rather than taking.

<sup>1</sup> The US Energy Information Administration defines a "PADD" as Petroleum Administration for Defense District. Essentially the entire United States

is divided into five main PADD districts, with PADD 1 further split into three subdistricts.



Our recommendations for energy companies going forward are thus very easy to make. Be diversified and hold a selection of Canadian energy companies and definitely try to prioritize Canadian producers with integrated operations including oil-refining capacity on Canadian soil. Refined products such as gasoline, diesel, heating fuel and jet fuel are higher value-added products compared to raw crude oil. We believe that following this approach should work out quite well over however long it takes for President Trump to realize that drilling for oil is not only quite expensive but quite difficult.



After Canadian energy the thing Americans really need are Canada's minerals. Canada is by far the United States' biggest supplier of minerals like aluminum, copper, nickel, niobium, potash and zinc. We also supply the Americans with tons and tons of uranium, so more on that in a moment. Oh, and Canada also of course supplies the United States with precious metals such as Gold and Silver, which I learned during my last visit to the Royal Canadian Mint. The mint's ETR program manager Frank Caterina who spoke with us last year reminded me that the Mint manufactures more gold bars and coins for the Americans than they do for us.



Canada's minerals sector is quite literally enormous and strategically important on a global scale, and there are hundreds of established and speculative mining companies to choose from along with annual conferences like PDAC which investors can attend to really drill down into individual names. We won't cover every company here but the biggest publicly traded mineral companies in the S&P/TSX Capped Materials Index are: Nutrien [NTR.TO], Teck Resources [TECK-B.TO], Barrick Gold [ABX.TO], First Quantum Minerals [FM.TO], Agnico Eagle Mines [AEM.TO], Wheaton Precious Metals [WPM.TO], Ivanhoe Mines [IVN.TO], B2 Gold [BTO.TO] and HudBay Minerals [HBM.TO]. And to ourselves, the investment implications of Canada's mineral producers is very clear: they are important for you to hold period and thought to be well insulated from the impact of tariffs due to both their strategic and political importance as we shall see with uranium shortly. If you hold any of the stocks mentioned above, keep holding them. And don't be afraid to look at some of Canada's junior miners too. Their more domestic supply chains and production output streams fly under the radar of tariff threats, even if [like energy] we doubt shares in these companies see any enduring sustained downward pressure.

### Uranium...

We chose to talk about uranium separately because while the Americans lead the world in terms of nuclear energy production, and have the largest number of operational nuclear reactors, the gap is shrinking. In recent years, American nuclear power generation has either declined or stagnated due to plant retirements and insufficient construction of new reactors. As a result, some in this industry believe that China will overtake the United States in nuclear generation capacity by 2030. But it's not the supply of nuclear reactors that is America's biggest problem [they get those from us too] it's a steady supply of uranium. Right now, *global* Uranium supplies are controlled by the Chinese and the Russians who account for 50% of enriched stockpiles. The United States obviously has its own uranium and is thought to hold around 59,400 tons or 1% of global supply, but we hold around 590,000 tons. Another point worth mentioning is that Canada boasts the world's largest deposits of **high-grade** uranium, with concentrations reaching up to 20%. To put that in context, 20% uranium content means that our ore is approximately 100x richer than the global average. Unfortunately, shares of both Cameco [CCO.TO] and Denison Mines [DML.TO] seemed unsure of what direction they wanted to head in as tariff news broke however, we believe the market reaction relates more to Trump expanding US oil and gas production.



[Cameco's McArthur River Uranium Mine in Northern Saskatchewan is the world's largest high-grade uranium mine, and just 3,600

kilometers from our offices in Toronto.]

## Losing the forest for the trees...

When it comes to TSX listed wood companies, we admit that we must do some more homework. Shares of West Fraser Timber [WFG.TO], Canfor [CFP.TO], Stella-Jones [SJ.TO] and Interfor [IFP.TO] behaved quite differently leading in to tariff talks. Our best guess is that higher tariffs grind away at the competitiveness of Canadian forestry product producers and put mills under financial duress thus subsequently leading to pressures, job losses, and economic harm to forestry-dependent communities. From what we could tell, shares of Stella-Jones got hit the hardest last Monday so we presume the issue is a blend of size, integration and the extent to which Stella-Jones exports products to the US. Ken Reid, our equity Portfolio Manager extraordinaire, mentions that shares of no Canadian forestry producer leap out at us just yet. Though if an investor had a proverbial axe to grind, it would have to be with names [other than] West Fraser.



After energy and materials, Canada exports \$53 billion worth of cars and light duty vehicles to the United States. Ontario accounts for half of the new vehicles going to the US, with Quebec and Alberta representing the rest. Shares of Ford, General Motors and Fiat Chrysler [Stellantis] trade mainly on US stock exchanges and have integrated global operations. One purely Canadian company auto Magna International [MG.TO]. Magna manufactures mostly auto parts, but the company also produces around 4 million completed vehicles for other companies. Magna shares have been a tough investment to hold, and shareholders of the company have lost nearly 25% over the past 12 months. If anything, Magna stock is cheap and trades at just 11x forward earnings and at a 50% discount to its peak share price from 5 years ago – however that has more to do with wider supply chain issues and the company's pivot to electric vehicles which was not glitch free. But Magna shares got walloped last Monday and we would avoid a position until such time as more is known about Trump's tariffs on the auto sector.

While energy and materials are by far the most important areas for Canadian equity investors as it pertains to the potential imposition of tariffs, the industrial sector would absolutely be a region of the TSX index we would monitor closely. Once again there are dozens of companies in this area, and we draw your attention to the heaviest cap weight companies in the index for you to pay attention to. Air Canada [AC.TO], New Flyer Industries [NFI.TO] CAE Inc., [CAE.TO], Canadian National Railway [CNR.TO], ATS Automation [ATS.TO], Stantec [STN.TO] and TFI International [TFI.TO] are each likely to experience substantial volatility until such time as the situation with tariffs tappers. More domestically focused industrial firms like Aecon [ARE.TO] probably do not have as much to

worry about, but this is nevertheless a sector that does considerable business with the United States in general.

There's no question about it: the MacNicol Investment Team likes several American companies. But we think that the American power players for the country should really give taxing their greatest allies and friends [i.e. us] careful consideration. Canada, Canadians and Canadian companies truly hit above their weight and shouldn't be taken lightly. The investment implications for Canadian's should also not be taken lightly as tariffs can be a material impact on investment returns. With that said, we leave you with this: President Trump invoked his latest tariff tantrum on us by activating the International Emergency Economic Powers Act or "IEEPA". This unorthodox use of legislation – to affect tariffs on a friend – is untested and not grounded in economic basis. Generally, tariffs are used to protect certain industries from dumping: the practice of foreign companies unloading goods to undercut local businesses. Expect legal challenges to be filed if tariffs proceed. In the meanwhile, we believe that MacNicol portfolios and funds are appropriately balanced between helping you and your family hopefully have another prosperous year in 2025 without getting caught in the crosshairs of a turf war between friends that is unfortunately predicated by false pretenses and a lack of education.

### **The MacNicol Investment Team**

#### **Sticker shock: at the foreign exchange desk...**



One of our trusted financial planning partners in Loon Lake [just outside of Thunder Bay] recently mentioned that he was going on vacation to Arizona. Naturally, I asked him how he felt about going somewhere hot and sunny. Possibly in a moment of weakness the very dapper, typically eloquent and always very knowledgeable planner utter a four-letter word response beginning with the letter "F" that I shall not repeat here. Instead, I remarked...

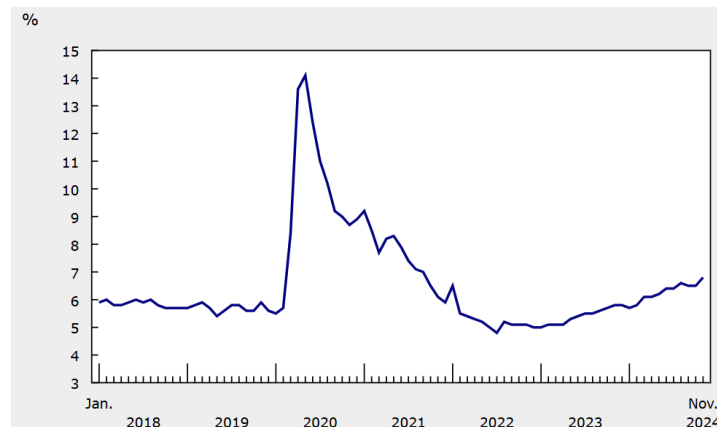
**"But I thought you'd be happy about going away..."**

And indeed, he was happy to be going away it's just that where he was going suddenly got a lot more expensive in Canadian dollar terms. As someone who can easily hit a Starbucks 2 or 3 times in a single day long run down the I-75 that caffeine addiction can add up...and that is especially true when you are paying in US dollars. During 2024, the Loonie fell nearly 8% against the Greenback, hitting a two-decade low of just \$0.69. What in the world are you going to buy for \$0.69? Well, the answer is it really doesn't matter because the [currency] news is likely



to get even worse before it gets better.

Most currency forecasters we speak with reckon the Loonie could lose altitude even further, with some now openly talked about a \$0.65 Loonie. We will leave precisely price targets to the more technical types but from our perspective, we believe there are four currency headwinds that Canadian travelers should think about: one major, one minor and two that we aren't quite sure about. Very importantly, we absolutely must preface that there is likely to be considerable debate around the ranking of the "major" and "minor" factors impacting the Canadian dollar. Even the factors we aren't quite sure about are likely to elicit unambiguously clear views depending on who you ask. So, with that caveat out of the way, let's begin with the factor we believe is least important here and I have to warn you that this one might surprise you: inflation. We talk a lot about inflation in these pages and we should: inflation is a huge problem for anyone who eats, drives, invests or does pretty much anything other than standing motionless for the rest of eternity. But the fact of the matter is Canadian inflation is now *within* the Bank of Canada's official target range. Canada also has a wide range of investment options that are generally considered to be extremely good inflation hedges should it resurface. Next up are the two things we aren't quite sure about: economic "slack" [i.e. excess supply which is rising albeit it in an uneven way] and the unemployment rate, which was also rising but which abruptly stopped rising in December as Statistics Canada reported 91,000 new jobs [mostly full-time positions at that] temporarily halting the unemployment rates progression towards a quite high 7%.



[Statistics Canada shows that Canada's labor market has been weakening for about 2 years. Whether or not December's quite strong jobs print changes the broader trend remains to be seen. We are always skeptical when it comes to individual data points and that is exactly why we assigned the unemployment rate to the "We're not quite sure" pile.]

So, if inflation in Canada is not something we believe will pluck the Loonie's feathers further, and if we are exactly sure how excess supply or the labor market will impact the Loonie period. What are we worried about?

### Policy Divergence and Trade Wars:

By now you probably know that the Trump administration has given the Trudeau government more time to negotiate trade relations between our two countries. This commentary was written during a time range flanked by President Trump being convinced that the fentanyl destroying many American cities comes from Canada and the preposterous idea that Canada become America's 51<sup>st</sup> state. Humorous [or idiotic] as those assertions might seem, the facts around the issue of central bank policy divergence are very clear. Tiff Macklem cut rates here by 175 basis points from the Bank of Canada's official policy rate last year, and that is a brisker pace when compared to the 75 basis points of easing implemented by Jerome Powell. Given their respective stances on interest rates [3.25%



in Canada and a range of 4.25%-4.50% in the United States] the interest rate spread now stands at a noticeable 1.00%-1.25%.



**[“He said fentanyl and illegal immigrants come from Canada.”]**

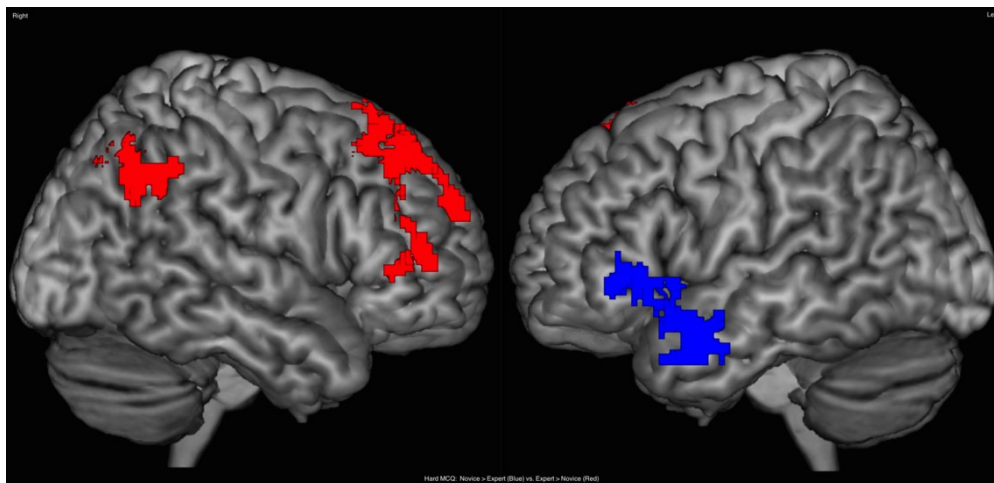
It is really hard for us to be bullish on the Canadian dollar with a more than 100 basis point interest rate spread. And although the wide policy divergence is not exactly a ringing endorsement to load up on Loonies. The actions on the part of the Bank of Canada should stimulate the domestic economy and cushion any actual or perceived threats of tariffs to some degree. But the issue for Canadians traveling to or contemplating an investment in the United States is that the gap in rates is likely to expand further. Despite the likelihood of political pressure from the Trump administration to push US interest rates even lower, the actual risk to Canadians is that Jerome Powell will take a lengthier pause from rate reductions in 2025 whereas Tiff Macklem will continue easing monetary conditions through 2025. Of course, the ongoing threat of tariffs is another significant risk to the Loonie and may result in yet another dip lower however as we mentioned a few paragraphs ago: a weaker Loonie might actually help Canadian business by allowing them to drop prices on goods destined for the United States.

Currencies are always a 2-way street when it comes to investing and the yin/yang that they can create in portfolios is more often than not short-lived since managers like us attempt to use current tailwinds in your favor. Sadly, we don't have any good news for David W those trips to Starbucks or Applebee's restaurants are going to be pricey one way or the other. But hopefully they will be offset by the work our team does at the portfolio level!

**The MacNicol Investment Team**



## Behavioral Investment: I just don't think it's a good *time* to invest...



I graduated from the University of Toronto in 1999. Shortly after concluding that I lacked the charisma necessary to follow in my dad's footsteps in a career in tax auditing at the Canada Revenue Agency, I embarked on a career here on Bay Street. Making sure people pay their fair share around here is indeed an important job. But generally speaking, I have found managing money to be a lot more fun than threatening people with crippling penalties for tax non-compliance even if the power to seize [bad] people's assets or freeze their bank accounts is something I could totally live with. In any event, managing money [for the right person] can be a lot of fun because it is one of the only careers in which you can literally make your clients money if you possess strong analytical skills and have a genuine interest in financial markets. Unfortunately, one of the not so fun aspects about managing money is *losing* money, which we obviously try very hard not to do around here.

Yet the threat of losing money in the short term is something that can **prevent** both the client and Portfolio Manager from taking that important step to make an investment decision in the first place. While making the decision to invest can seem like a gamble, the real risk is not investing at all. You see, even though financial markets can be volatile; the real risk you face by investing is the risk of inflation. Inflation means the money you have today will be worth less tomorrow. Even a rate of inflation that averages 4% over a decade means that the money you have today will lose 40% of its value by the time February 2035 rolls around. Inflation is indeed a slow-moving train and much less "sensational" than collapse of a gigantic hedge fund, a bear market in stocks or even a rapid widening of yield spreads in bonds. But quite often, those distinctly short-term periods of market malaise can be corrected if you wait it out or rebalance your portfolio. With inflation, however, once the damage is done it is permanent, you cannot go back in time and start investing twenty-five years ago. So, if you're one of those people who are on the fence about investing with us or even investing in general, this article is for you. What I thought I would do here is list the 25 separate "reasons" [note quotes] why many people choose not to invest over the past two and a half decades. Then, I'll show you why listening to any one of those 25 reasons was a bad idea. Lastly, I'll explain to you what the two brain scans at the beginning of this article are, and why I hope that after reading it, your brain will flash blue at me if I stick your head into an MRI machine. To reiterate, I graduated from the University of Toronto in 1999. Back then, the Dow Jones Industrial Average "DJIA" stood at roughly 11,500 points. The prevailing fear on the part of investors back in those days was Y2K. A fear rooted in the idea that the world as we



knew it would suddenly stop just because calendars switch from the year 1999 to the year 2000.

Next came the bursting of the tech bubble in 2000. Then September 11<sup>th</sup> terrorist attacks in 2001. And then the corporate accounting scandals [Enron and World Comm] in 2002. 2003 saw the War in Iraq. 2004 had the United States run massive [for back then] trade and budget deficits. 2005 was the year oil prices spiked. 2006 was the early stages of the housing bubble. 2007 was the year the world learned about sub-prime mortgages. 2008 was the global financial crisis triggered by the collapse of Lehman Brothers. 2009 was the recessionary credit crunch. 2010 was the sovereign debt crisis. 2011 was the crisis in the Eurozone itself. 2012 was the first in a series of US fiscal debt ceiling issues. 2013 was the taper tantrum. 2014 saw oil prices tank [recall that I just told you that oil prices spiked in 2005 yet in 2014 falling oil prices were now viewed as a reason not to invest]. In 2015 stock markets in China sold off sharply. In 2016 BREXIT was the fear on everyone's mind. In 2017 it was that stocks, and BITCOIN in particular, were unsustainably higher. Then came trade wars [sound familiar?] and rising interest rates in 2018. And just for good measure 2019 gave investors escalating trade wars and even higher stock price valuations to worry about. And then COVID happened in 2020. And with most people at home [as a result of COVID] 2021 became the year people worried about stock price valuations and BITCOIN...again. 2022 was the year Russia invaded Ukraine and also the year "nothing" worked [MacNicol Alternative Asset Trust up 4.4% in 2022...sorry I couldn't resist!]. In 2023, investors worried about the valuation of the Magnificent 7 [Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla, and Meta Platforms]. And finally last year, 2024, investors were worried about just Nvidia. As you can tell I am quite adept at directing you to the main investment story in any given calendar year.

### **But that was the easy part...**

The hard part is having to tell you that over the past 25 years the Dow has averaged around 8.8% per year. To put it in context, if you invested \$100,000 25 years ago at an 8.8% rate of return, you'd be looking at \$823,611 in nominal terms and \$309,000 in adjusted terms using an eye watering 4% average rate of inflation over that time. For reference, most historians agree that inflation globally has averaged 3% since the Ming Dynasty. We use 4% as our inflation assumption to be more dramatic. More dramatic still would be the costs of not investing in the Dow over the past 25 years. Believe it or not, if you had \$100,000 just 25 years ago, and did not invest a single cent of it, and experienced real-world inflation of 4% the value of that \$100,000 would be worth just \$37,511. In keeping with the spirit of my late father, and the fact that auditors in this world do serve a purpose, you will be pleased to know that all of my numbers were calculated using the Bank of Canada's rate of return calculation which you can find right here: <https://www.bankofcanada.ca/rates/related/investment-calculator/>

To summarize, there have always been and there will continue to be reasons to avoid making an investment decision. Whether or not you arrive at your ultimate investment destination - we believe - relies more on the application of a time-tested, disciplined investment process over many years instead of being an investing "expert" or having inside information. But whether you arrive at your ultimate investment decision also relies on how you think about investing and the world around you. We can certainly do the grunt work but as they say it takes two to tango.

To conclude, the images at the front end of this article [Source: University of Calgary School of Medicine] are images from the inside of Doctors' brains as the brains attempt to tackle medical problems in the real world. The scan on the left [red] is from a less experienced Doctor while the scan on the right [blue] is from a seasoned expert Doctor. The scans clearly indicate that more expertly of the two Doctors use areas from within the brain to solve





problems, and we hope you will too.

## **The MacNicol Investment Team**

### **Firm Wide News:**

We are excited to let you know that we have moved our office. We are now at 3080 Yonge Street, north of our old office in Yorkville.

We look forward to getting to know the new neighborhood!

The 2024 RRSP deadline falls on March 3rd.

The maximum deduction limit for 2024 RRSP room is \$31,560 which would require an annual earned income of \$175,333. Please contact Angela Knapp or Ruchi Aggarwal for the easiest way to top up your RRSP today.

The RRSP maximum contribution limit **for 2025** is \$32,490. Setting aside \$2,700 each month can get you to this goal.

Clients can also add \$7,000 to their Tax-Free Savings Account (TFSA), including any withdrawals made in the previous year.

For families with children under the age of 18, you can also make a \$2,500 contribution per child to your Registered Education Savings Plan (RESP) to maximize the 20% CESG Grant of up to \$500 per beneficiary.

Finally, \$8,000 can be contributed to a First Home Savings Account (FHSA).