

## WELCOME 2024! LEY WEALTH MANAGEMENT



### **From Gord's Desk:** **My Annual New Year Message to Clients** **Reflecting on 2023** **Maneuvering for 2024 and Beyond**

This past year had its share of financial uncertainty, from inflation and rising interest rates to volatile stock and bond markets. Headlines added to the unease, from the growth of artificial intelligence (AI) to the collapse of Silicon Valley Bank and other lenders to the threat of heightened Geopolitical turmoil. So, it's no surprise many of you may feel anxious right now. When it comes to investing during trying times, it can be easy to lose track of how well markets function. Spoiler alert: They've been working just the way we'd expect.

The reason why? Human ingenuity. Throughout history, there have been people and businesses working hard to make the world better. Solving problems can generate profits, and profits lead to market returns. That's why I say the market runs on human ingenuity.

Despite all the stressful headlines, including geopolitical crises from Ukraine to the Middle East, the MSCI All Country World Index returned 21.08% through in 2023. In fact, since the global pandemic started in 2020, that index has averaged about 10.36% per year, which is in line with its historical returns.<sup>2</sup>

So, when taking the time to reflect on lessons from 2023, make sure to reflect on markets and how they worked. Markets do a good job of processing information and incorporating it into the prices of stocks and bonds. Despite all you are reading and hearing now from “Market Experts”, trying to time markets or find mispricing’s is a waste of time—unless, of course, you know something that other people don’t, before anyone else can make a move.<sup>3</sup> I don’t. Do you?

When I look back on this year, I’m struck that so many of the crises around the world have been priced into the market. It’s not surprising to me that when interest rates went up, bond yields increased. Whatever happens, the market seeks to adjust appropriately. That’s as true for the potential of AI as it is for the prospect of a government shutdown. That’s what we said in the first quarter of 2020, when COVID started spreading around the world.

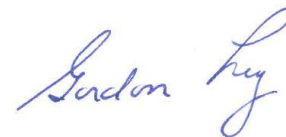
Together we have cultivated a long-term perspective based on your objectives and timelines. We’re thinking decades and years, not days. Anxiety, not information, is trying to get you to make short-term moves. We have constructed your portfolio so that we can stay focused on the long term? It has been developed based on your personal objectives and financial plan backed by a strong investment philosophy that continues put us all in a good place to withstand uncertainty.

These principles and others have been a constant theme in our Newsletter messaging over the past year (and beyond). In 2023 we shared 5 newsletters that have been focused on:

- Our Core Values
- Ignoring the noise and daily doses of negativity
- What’s your true net worth
- Making sensible connections between health and wealth and applying the long-term discipline needed to reap the benefits of improvements in both.

So, when you look back at the past year, remember that people have memories; markets don’t. I can confidently predict that in the future there will be recessions, interest rates will change, elections will be decided, and AI will impact your life in some way. The great news in all of this is that you don’t have to make any predictions in order to have a good investment experience.

When I look back at not only this year but the previous 38 years of my career, human ingenuity keeps winning. I used to think I was an optimist, but now I think that maybe I’m just a realist.

A handwritten signature in blue ink that reads "Gordon Hey". The signature is fluid and cursive, with the first name "Gordon" and the last name "Hey" clearly distinguishable.

Source: Dimensional Fund Advisors

07%Indices are not available for direct investment. MSCI data © 2023, all rights reserved. The return of 6.8% is from January 2020 through November 2023. Since the index's inception in 1994, the annualized compound return is 7.07%.



## **From Jaclyn's Desk:** **TAX-FREE SAVINGS ACCOUNTS AND YOUR ESTATE PLAN**

A new year always makes me think about the future from a personal, professional, and financial perspective and plan on what I want to accomplish in the next year. When the twins were born 7 years ago (wow- time flies!), it made me think of the importance of having an estate plan. Should the unthinkable happen, I wanted to protect my children. A proper estate plan makes your wishes known by considering all facets of your financial life and takes into consideration everything from your insurance policies to your investment accounts to tax matters that can affect your estate. It is important to have the right team of professionals guide you through the estate planning process. Today I want to focus on one aspect of an estate plan: Tax-Free Savings Accounts (TFSA) and proper tax planning.

### **WHAT YOU SHOULD KNOW ABOUT A TAX-FREE SAVINGS ACCOUNT (TFSA)**

Investing in a Tax-Free Savings Account (TFSA) is a smart financial move with numerous advantages. One of the biggest advantages of a TFSA is the ability to grow your investment tax-free. Any income earned within the account, such as interest, dividends, or capital gains, is not subject to tax. This means that your money can compound and grow faster compared to taxable accounts, allowing you to reach your financial goals sooner.

Unlike other investment accounts, when you withdraw funds from a TFSA, you do not pay any tax on the amount withdrawn and any amount withdrawn can be contributed back into the TFSA in future years without affecting your contribution room if you wait until the following calendar year or beyond to do so. Whether you want to take a dream vacation, buy a new car, or cover unexpected expenses, a TFSA provides you with the freedom to use your funds as you see fit. This flexibility makes a TFSA a valuable tool for both short-term and long-term financial planning.

TFSA contribution room accumulates every year, regardless of your income. The annual contribution limit is set by the government and any unused contribution room can be carried forward indefinitely. This means that if you haven't maximized your contributions in previous years, you can catch up and invest more over time.

### **HOW A TFSA FITS INTO YOUR ESTATE PLAN**

Not only does a TFSA offer tax-free growth and withdrawals, but it also provides flexibility and estate planning benefits for successor annuitants and

beneficiaries. A successor annuitant is a spouse or common law partner. This designation allows the successor to assume ownership of the TFSA and continue to contribute to it. By designating a successor annuitant, you ensure that your TFSA continues to grow tax free even after you are gone. The successor can transfer the assets to their TFSA upon their partners death, and continue to make contributions, withdrawals, and manage the investments without the worry of tax consequences. Naming your partner as the successor annuitant can be a significant advantage for couples who want to maximize their savings and provide financial security for their loved ones.

A beneficiary on a TFSA is someone who receives the assets held within the TFSA upon your death. Unlike a successor annuitant, a beneficiary does not assume ownership of the TFSA. Instead, the assets held within the TFSA are distributed to the beneficiary. The beneficiary can choose to take the funds, transfer them to an investment account or transfer them to their own TFSA (if there is room), but they cannot contribute to the original TFSA.

### **A PROPER TAX STRATEGY FOR YOUR ESTATE PLAN**

At the beginning of this column, I mentioned the importance of having the right team of professionals guide you through the process. At Ley Wealth Management, we rely on a team at CIBC Private Wealth who are experts in their respective fields. Most of you are familiar with Jamie Golombek, Managing Director, Tax & Estate Planning. I have attached an article from Jamie [here](#) that explains tax planning with TFSAs.

If you do not have a TFSA and wish to open one or would like to discuss creating your estate plan, please call at (905) 372-3597. I know the peace of mind I had when mine was in place and I wish the same for you.

*Jaclyn Good*



**HABITAT FOR HUMANITY NORTHUMBERLAND  
WOMEN BUILD 2024  
Come and join the fun and help us build a better  
community!**

As you know here at Ley Wealth Management, we have made a substantial financial contribution to Habitat for Humanity Northumberland and their All-Women's Week build.

Join us in building a better community.

From March 4th – 8th you are invited to join other women on a day of your choosing from 8:30 a.m. to 3:30 p.m. T-shirts, hard hats and approved CSA steel toe construction boots will be provided to all that participate.

If you are interested in joining us during the first week of March please reach out to Jaclyn at (905) 372-3597 to receive the information on registering and taking the short training model.

We are excited to bring the strength of women together for this incredible opportunity in building a better community!

## RRSP Season



As a reminder the last day to get your 2023 RRSP contribution in is **February 29<sup>th</sup>, 2024**. Your 2023 maximum limit is \$30,780 or 18% of your income.

Your maximum limit for 2024 is \$31,560.

## TFSA

New this year you can contribute \$7,000 to your TFSA; as well you can repay any withdrawals you may have taken prior to 2024.

As of January 1st, 2024, the maximum TFSA contribution is \$95,000 if you have been a resident in Canada and at least 18 years of age since 2009 but have never contributed in previous years.



**For assistance with your RRSP or TFSA contributions, please call our office 905-372-5330**

## RRIF



You will find your new RIF payment information on your January month end statement. Your statement should be out shortly.

As a reminder you can find your month end statements online through your CIBC WOOD GUNDY online portal.

If you have not signed up and are interested, please call our office and we would be happy to assist.

## Tax Season

Tax season is fast approaching, and your tax filing documents will be starting to make it to your mailbox in the coming weeks. As a reminder they usually do come in several mailings and often you will not receive the last documents until the end of March.



You can access your documents issued by CIBC World Markets online. Many clients will not only receive documents from CIBC, but from mutual fund dealers if funds are held; so be aware and if you are not sure if you have received everything, please contact us and we can help. If you want information provided to your tax preparation specialist, we do need verbal confirmation from you prior to us releasing this information.

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### Ley Wealth Management Core Values

At Ley Wealth Management we have 4 distinct Core Values that guide us in creating, executing and managing wealth solutions that fit our client's life for life.

***We are Responsive***  
***We Do the Right Thing***  
***We are Straightforward***



## ***We are Forward Thinking***

### ***We are Responsive***

We come to each conversation and relationship with an open mind rather than the right answer. By listening we understand the needs and objectives of our clients, their families and our team.

### ***We Do the Right Thing***

We act in a way that is ethical and legal and put the needs of our clients, their families, the team and our community above our individual needs. We also create opportunities for our team to contribute both to our client's success and to their own.

### ***We are Straightforward***

We protect, guide and inspire clients with language that they can understand.

### ***We are Forward Thinking***

We bring genius as we base our investment and wealth planning advice both on an evidence and science-based methodology by partnering with experts in all of those fields.

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