

Dear Valued Client,

April 2025

As the first signs of spring begin to bloom, it also brings new opportunities! Just as nature resets and renews, it is a fitting time to take a fresh look at your financial strategy. In this spring letter, we are excited to share key financial updates and insights to guide you in investing, buying a house, borrowing, and other financial matters.

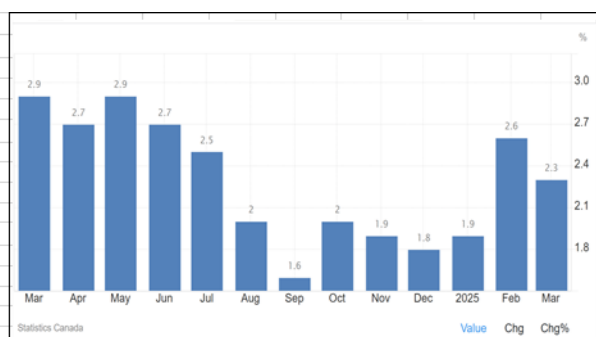
### Economic Outlook for 2025

The first quarter of 2025 has been eventful. Donald Trump entered office, Justin Trudeau departed, and Mark Carney became Canada's 24th Prime Minister, calling an election for April 28th. Concurrently, unexpected U.S. trade tariffs have unsettled markets, with U.S. indices down and Canadian equities flat.

The S&P/TSX Composite Index rose by 1.51%, while the S&P 500 Index fell by 4.61%. Canadian and U.S. bond yields also fell, with the Total Bond Index up 2.02% (as per the table below). Investors are concerned about the potential inflationary pressures and broader trade wars these tariffs might trigger here and globally.

As at March 31, 2025	Simple		Compound Annual Returns					5-Year
	%	%	%	%	%	%	%	
INDEX (in Canadian Dollars)	1-MONTH	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	STD DEV	
Inflation (one month lag)			2.30					1.49
<b>Canadian Fixed Income</b>								
Treasury Bills	0.25	0.75	4.21	3.96	2.42	1.70		0.61
Short-Term Bonds	0.34	1.69	7.14	3.74	2.10	1.91		2.57
Total Bond Market	-0.28	2.02	7.65	2.50	0.88	1.77		6.39
<b>Equity Markets</b>								
Canada Total Market	-1.51	1.51	15.81	7.77	16.76	8.54		13.33
US Equity Total Market (in CDN Dollars)	-6.33	-4.61	13.91	13.41	18.73	13.25		13.96
International Equity (Large & Mid Cap)	-0.61	5.72	12.46	9.65	11.07	6.22		11.37
Exchange Rate \$1.00US buys \$1.4391CAD			8.81					

Source: DFA Web



U.S. President Donald Trump announced details of new US tariffs on a broad range of countries on April 2. As with previous tariff announcements, markets reacted negatively based on initial assessments of the immediate and long-term implications for economic growth and inflation. Investors are now seeking clarity on whether these tariffs are permanent, negotiable, or subject to carve-outs for certain sectors. For Canada, key concerns include the treatment of the auto sector, energy, steel, aluminum, and supply management. A major question is how these tariffs will align with the existing USMCA free trade deal, which is due for renegotiation next year.

The market disruptions of the first quarter underscore the importance of diversification in a long-term investment strategy. In the short term, investing can be unpredictable, causing fears, uncertainty, and doubts. However, a solid investment plan that manages risk through a diverse selection of securities across industries, geographies, and asset classes can replace these fears with confidence, clarity, and conviction. Eventually, common sense will prevail, and markets will align with their long-term averages.

There is a positive outlook for investors, despite current uncertainties. Market downturns often present opportunities to buy quality assets at lower prices, setting the stage for future gains. Investors who remain patient and stay the course are likely to benefit from the eventual market recovery. History has shown that resilience and a disciplined approach to investing pay off in the long run. Now is the time to review your portfolio, consider strategic adjustments, and position yourself for future growth.

**MEMBER COMPANIES:** ● CANFIN MAGELLAN INVESTMENTS INC. ● CANFIN CAPITAL GROUP INC. ● CANFIN MANAGEMENT INC.  
● CANFIN MORTGAGE AND EQUITY INC. ● CANFIN PRIVATE WEALTH INC. ● CANFIN REALTY SERVICES INC.

## OTHER FINANCIAL PLANNING MATTERS

**Home Affordability** - As we entered 2025, Canada faces significant home affordability challenges due to economic uncertainty, shifting immigration policies, and evolving real estate trends. While lower mortgage rates and updated rules are expected to boost housing sales, affordability issues will persist, especially in high-demand regions. Recent U.S. tariffs on Canadian construction materials like lumber, steel, and PVC have further exacerbated these challenges, leading to a decline in home sales and a slowdown in new building activities.

Across the country (see table below), market appreciation varies by region. Mortgage rates have declined and currently range between 3.79% and 4.25% as of April 19, 2025. For many clients, purchasing a home is a significant decision. Solid planning and using proper savings vehicles can make this dream a reality. Speak with your advisor to connect with our in-house real estate or mortgage specialists. If purchasing is a few years away, accelerate your savings with the First Home Savings Plan (FHSA), RRSP Home Buyers' Plan (HBP), and the Tax-Free Savings Account (TFSA).

Average Home Prices (Year over Year) in Select Cities & The National Average in Canada						
Period	Vancouver	Calgary	Toronto	Montreal	Halifax	Canada Average
Dec-24	\$ 1,171,500	\$ 572,400	\$ 1,061,900	\$ 542,900	\$ 533,500	\$ 676,640
Dec-23	\$ 1,166,400	\$ 547,700	\$ 1,060,400	\$ 506,800	\$ 513,100	\$ 660,165
% Change	0.44%	4.51%	0.14%	7.12%	3.98%	2.50%

Source: CREA - The Canadian Real Estate Association

**Best 5-Year Fixed Mortgage Rates in Canada**[Compare 40+ Lenders Rates](#)

**3.79%**  
Get this rate

**3.84%**  
Get this rate

**3.99%**  
Get This Rate

Lowest Big-6 bank rate since 2022

**3.99%**  
Get this rate

Up to \$4,100 Cash Back

**4.25%**  
Promotional Rate

**Income Tax Refunds & Your Annual Financial Check-Up** - An income tax refund always feels good, and if used wisely, can be even better. Two out of every three tax filers receive a refund from the CRA. Rather than spending refunds impulsively, we urge clients to use them to bolster their financial security. Options include paying down high-interest debt, contributing to retirement savings plans like RRSPs, building an emergency fund in a TFSA, or investing in education and skill development. These strategies enhance financial resilience and help achieve long-term goals.

During your upcoming annual financial check-up, let's discuss how to best use your tax refunds to build a secure future, reduce financial stress, and achieve greater peace of mind.

In conclusion, we are always here for you. Your patronage, loyalty, and support make our partnership successful. Please arrange your annual reviews and inform us of any changes to your financial or life situation. We are grateful for your continued trust and partnership and look forward to serving you in 2025!

Sincerely;



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Chief Executive Officer - CANFIN Wealth Management

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