

Dear Valued Client,

July 2025

As summer blooms with warmth and energy, it's the perfect time to refresh our financial strategy. Last summer, I took a moment to reassess my own goals during a sunny afternoon in the garden. It was a refreshing experience that brought clarity and renewed focus. In this newsletter, we're excited to share key updates and insights to guide you in investing, buying a home, borrowing, and more.

Let's embrace this season of growth together!

### Economic Update & Outlook for 2025

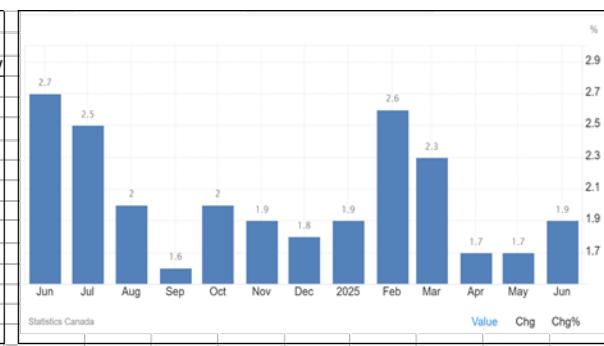
The second quarter concluded on a positive note, despite ongoing tariff concerns, with inflation remaining below the Bank of Canada's 2% target. As of June 30, trade and geopolitical tensions have eased. The White House is working to finalize trade deals with several nations, including China and the European Union, ahead of the July 9 deadline, while negotiations with other countries continue.

Global equity markets have posted positive returns year-to-date (as shown below), with Canada achieving a notable 10.17% gain. The U.S. equity market, however, lagged behind with a 5.75% return, which translates to just 0.18% when converted to Canadian dollars. This underperformance of the U.S. dollar is attributed to expectations surrounding the passage of the U.S. administration's major budget bill through Congress.

In the fixed income sector, both domestic and global markets have also seen positive returns year-to-date. Looking ahead, there is potential for further rate cuts in both Canada and the U.S., although this will depend on the impact of tariffs on domestic and global trade. The same caution applies to equity markets. While the short-term outlook is favorable, conditions could change significantly over the next twelve months. Therefore, it is crucial to maintain a long-term perspective and adhere to our investment goals, ensuring proper diversification in line with our risk profiles.

As at June 30, 2025	Simple		Compound Annual Returns				
	%	%	%	%	%	%	5-Year
	1-MONTH	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	STD DEV
INDEX (In Canadian Dollars)							
Inflation (one month lag)	0.55	1.92	1.73	2.65	3.84	2.62	1.46
<b>Canadian Fixed Income</b>							
Treasury Bills	0.23	1.43	3.62	4.12	2.54	1.75	0.59
Short-Term Bonds	0.27	2.19	6.34	4.42	1.76	1.94	2.51
Total Bond Market	0.06	1.44	6.13	4.31	-0.38	1.88	6.12
Global Total Bond Mkt. (Hedged to CAD)	0.80	1.94	4.61	2.61	-0.34	1.81	4.86
<b>Equity Markets</b>							
Canada Total Market	2.91	10.17	26.37	16.09	15.02	9.61	12.77
US Equity Total Market (In CDN Dollars)	4.27	0.18	14.77	21.34	16.05	13.95	13.57
International Equity (Large & Mid Cap)	1.41	13.16	17.18	18.16	11.25	7.44	11.99
Emerging Markets (Large & Mid Cap)	5.32	9.48	15.43	12.31	7.35	6.15	13.36
Exchange Rate \$1.00US buys \$1.3607CAD							

Source: DFA Web



### What Should Investors Do During Uncertain Times?

According to McKinsey's latest global economic outlook, changes in trade policy are seen as the top disruption to global growth. This sentiment is echoed by Deloitte, which highlights the fluidity of the policy environment and the potential for varying economic outcomes based on different scenarios.

The key to navigating uncertainty is to adhere to sound investment principles: diversify across asset classes, remain patient, and stay focused on long-term goals. Markets are constantly evolving, but a disciplined approach can help outpace inflation and build lasting wealth. If you have any concerns, please reach out to your wealth advisor for personalized guidance.

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**Home Affordability & Mortgage Rates** - Since the start of 2025, the Canadian real estate market has shifted, creating a more favorable environment for buyers. According to the latest report from the Canadian Real Estate Association (CREA), home affordability has improved in many regions due to a softening market. This trend is driven by anticipated interest rate cuts and an increase in housing supply as more sellers enter the market.

While some areas, like Montreal and Halifax, have seen price increases, the overall sentiment suggests a cooling market—providing potential buyers with more opportunities and negotiating power.

<b>Average Home Prices (Year over Year) in Select Cities &amp; The National Average in Canada</b>						
Period	Vancouver	Calgary	Toronto	Montreal	Halifax	Canada Average
Jun-25	\$ 1,173,100	\$ 580,100	\$ 995,100	\$ 576,800	\$ 570,700	\$ 691,643
Jun-24	\$ 1,207,100	\$ 589,000	\$ 1,053,300	\$ 537,700	\$ 548,800	\$ 700,693
% Change	<b>-2.82%</b>	<b>-1.51%</b>	<b>-5.53%</b>	<b>7.27%</b>	<b>3.99%</b>	<b>-1.29%</b>

For first-time homebuyers, this shift presents a unique opportunity. The introduction of the First Home Savings Account (FHSA) has been particularly beneficial, allowing Canadians to save up to \$40,000 with tax advantages similar to both RRSPs and TFSAs. This can significantly aid in accumulating a down payment and make homeownership more accessible. If you need expert guidance on selling, buying, or refinancing, your advisor can connect you with a CANFIN real estate specialist.

**Mortgage rates are also trending downward**, which may work in your favor whether you're searching for a new mortgage or renewing an existing one. With more options available, it pays to explore what's best for your situation.

### **Summer Savings: Your Annual Financial Tune-Up**

Now is an ideal time for an annual financial check-up. The longer days and relaxed pace make it easier to review your financial goals and strategies. Here are some key areas to focus on:

- Review Your Budget** – Ensure it aligns with your current situation and goals.
- Assess Your Emergency Savings** – Aim for three to six months' worth of living expenses.
- Check Debt Levels** – Develop a plan to pay down high-interest debt.
- Review Insurance Coverage** – Ensure adequate coverage and update beneficiaries.

Following these steps can help ensure your financial health is in good shape and support informed decisions for the future.

In conclusion, we are always here for you. Your patronage, loyalty, and support make our partnership successful. We are grateful for your continued trust and look forward to serving you throughout the rest of 2025 and beyond!

**Sincerely,**



D. Tony Mahabir, MBA, CMC, CIM, RWM, FDFS, RRC, CFP  
 Associate Portfolio Manager, CANFIN Private Wealth  
 Chief Executive Officer - CANFIN Wealth Management

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