

# MONTHLY NEWSLETTER

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## AUGUST 2025



## TOPICS

Market Watch

On the Blog

Financial Tip

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## Market Watch

Courtney Beach, QAFP

Over the past month, the major U.S. stock indices have been overall up. Suggesting a generally positive market sentiment in July. Global tensions resurfaced due to the ever-changing tariff threats made by the US administration, which created uncertainty for exporters to the United States. Despite this, or perhaps because of it, exports to non-U.S. markets from Canada have grown, particularly in the agri-food and clean tech sectors.

Canadian business sentiment was mixed overall. Some sectors, such as technology and renewable energy, saw expansion, while others, like manufacturing, are experiencing cost pressures and slowdowns in global demand.

Predictions for August remain positive overall as July's market conditions are expected to continue. Additionally, bond markets are predicted to be positive as many central banks (including the BOC, FED and ECB) are considering rate cuts at the end of July, due to inflation stabilizing in many countries around the world. These rate cuts should, in turn, boost bond valuations in August.

## The Mighty TFSA

No matter your age or long-term goals—whether you're saving for a house, building an emergency fund, or planning for retirement—the Tax-Free Savings Account (TFSA) is a versatile option that meets your needs. As the lifetime contribution limit for the TFSA increases, the benefits of this account become even more significant. Let's talk about it.

### Sheltered Growth

The main advantage of the TFSA is its tax benefits. Any growth made in the account is tax-free: dividends – tax-free, interest – tax-free, capital gains – tax-free. Additionally, withdrawals from a TFSA are not subject to taxation.

TFSAs can also save on probate fees. Probate is the last chance for the government to collect money before a person's assets are passed on. Registered accounts with beneficiaries, such as TFSAs, avoid probate fees and generally distribute money faster than accounts without a designated beneficiary. BUT BE WARNED, if you do not name a beneficiary, the account will be subject to probate upon death.

### TFSA Room for 2025

One of the growing advantages of the TFSA is its increasing lifetime limit, which rises every January 1st for Canadian residents starting on their 18th birthday, regardless of income.

Your current room is reflective of your lifetime limit (see chart below), minus all TFSA contributions, plus the withdrawals you made in previous calendar years.

#### TFSA limit for 2025

= Lifetime limit

– ALL contribution made to a TFSA

+ value of withdrawals made in 2024 or earlier\*

\*CRA provides a January 1st snapshot of your TFSA room on your notice of assessment or myCRA. CRA does not track TFSA transactions throughout the year. Therefore, any withdrawals made in the current calendar year are not re-earned until January 1st of the following calendar year. For example, a 2025 withdrawal will be reflected on your Jan 1, 2026, CRA snapshot, and cannot be recontributed until 2026.

# ON THE BLOG.cont.

Year of Birth	Year You Turned 18	2025 Lifetime Limit
1991 or earlier	2009 or earlier	\$102,000
1992	2010	\$97,000
1993	2011	\$92,000
1994	2012	\$87,000
1995	2013	\$82,000
1996	2014	\$76,500
1997	2015	\$71,000
1998	2016	\$61,000
1999	2017	\$55,500
2000	2018	\$50,000
2001	2019	\$44,500
2002	2020	\$38,500
2003	2021	\$32,500
2004	2022	\$26,500
2005	2023	\$20,500
2006	2024	\$14,000
2007	2025	\$7,000

## **Inflows and Outflows of TFSAs**

Many people debate whether to add to their RRSP or TFSA. To understand which is better for you, you must understand their differences.

The RRSP's purpose is to become a source of income in retirement. With that in mind, RRSP contributions provide a tax deduction on your current income tax; however, you will have to pay income taxes on the withdrawals in the future. Making it the ideal choice for current tax savings.

TFSAs are the opposite. While there is no tax deduction on contributions, the benefit is that you won't pay taxes on withdrawals. This makes TFSAs an ideal option for future tax savings, especially for managing costs associated with unexpected or significant expenses, such as car repairs, down payments, dental work, etc. It also prevents high-income retirees from worrying about the OAS clawback, as the Old Age Security benefit starts to reduce if your income exceeds a certain annual threshold. The 2025, the OAS clawback begins at an income of \$93,454.

Many financial strategies involve TFSAs. To discuss strategies that would complement your financial plan, contact KLT Wealth Management.

Courtney Beach, QAFP



## FINANCIAL TIP

# TFSA

The Tax-Free Savings Account allows Canadians to save and invest money tax-free, with a contribution limit of \$7,000 for 2025.



**LISTEN TO OUR PODCAST**  
BUILDING WEALTH ON THE GO

## JOKE OF THE MONTH

It's not your salary  
that makes you  
rich,  
It's your spending  
habits.



**SUMMER TIME FUN**





# RECIPE OF THE MONTH



## PINEAPPLE ICED TEA

### INGREDIENTS

- 2 green tea sachets
- ¼ cup hot water
- ¾ cup pineapple juice
- 1 cup ice

### DIRECTIONS

Put green tea sachets and ¼ cup of hot water into a teapot.

Boil water on the stovetop or use an electric kettle

Cover and steep for 3 minutes. Discard tea bags.

Pour the pineapple juice into the teapot.

Stir the mixture until thoroughly combined.

Pour iced tea into cup with ice

Garnish if desired

## GRILLED PINEAPPLE

### INGREDIENTS

- 1 Pineapple - peeled, cored, and cut into 1/2 in thick slices or wedges
- 1/4 cup brown sugar
- 2 teaspoons ground cinnamon

### DIRECTIONS

Preheat an outdoor grill for medium-high heat and lightly oil the grate.

Whisk brown sugar and cinnamon together in a bowl.

Transfer into a large resealable plastic bag. Add pineapple wedges to the bag; shake well to coat each wedge.

Grill pineapple wedges on the preheated grill until heated through, 3 to 5 minutes per side.

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