



July 2024





Market Watch

The month of June saw markets rally further, as we continue to see technology and specifically Nvidia drag the market indexes higher. This past week however, markets cooled with Nvidia selling off about 13% from its high earlier this month. As we close out the first half of 2024, the significant concentration of positive performing stocks is quite apparent. If you look at the equal-weight S&P 500 year to date, it is up just over 4%, whereas the market-weighted S&P 500 is up just over 15%. Contrast that to a larger sample and more value companies, like the Russell 2000 index, it is almost flat for the year. Historically, this signals an evening out at some point either from a value rally or growth market correction.

As expected by many, the Bank of Canada cut rates by 0.25% on June 5th. Many economists forecast at least one more cut again in 2024. The next two rate decision dates are scheduled for July 24th and September 4th. The Bank of Canada (BOC) may be cautious to cut rates in back-to-back meetings, especially with recent inflation numbers rising to 2.9% for May. The Canadian economy is much weaker than the US right now, but with inflation persisting, and the BOC not wanting to deviate too far from the US, this may halt rate cuts over the next few months.

- Brad Wilson CIM®

Finance 101: Life Insurance

Life Insurance is an often-overlooked component of a complete financial plan. But without it even the best plan can quickly fall apart at the worst time. Therefore, it's important we take the time to discuss the basics of life insurance.

How to Get Started

Life insurance must be purchased through a licensed insurance advisor – like KLT Wealth Management. The first step you'll tackle together is determining how much insurance you need. Generally, you want to be able to cover debts, end-of-life expenses (funeral, taxes, etc.) plus enough to make up for your lost income. Once that is settled, you'll discuss your options.

Types of Life Insurance

There are a few options when it comes to types of life insurance. The basic types include:

1) Term Insurance – The simplest, cheapest form of insurance. A specific amount of coverage is purchased over a specific term – ex. 10 or 20 years. After the term ends, the cost increases, usually significantly. Therefore, many people reevaluate their insurance needs with their insurance advisor near the end of their term.

Mortgage Insurance – A term policy whose sole purpose is to cover the mortgage. Unlike regular term policies, these are generally not underwritten and therefore not guaranteed to pay out.

2) Whole Life Insurance – As the name suggests, this policy covers you for life. However, since the policy will pay out at some point, it costs more. These policies usually have a cash surrender value you can cash out or borrow against in an emergency.

3) Universal Life – Universal Life (UL) is the luxury car of policies. They have the most options with the highest cost. Insurance companies set aside a portion of your payments for all policies and invest them to pay out future claims. With a UL policy, you pick the investments, participating in any growth. Growth which can go towards the policy payments or increase the death benefit.

Underwriting & Determining the Cost

Once you settle on a type of insurance, you'll need to go through underwriting. Underwriting is the process insurance companies use to determine their risk in covering you and therefore how much they'll charge. It involves a detailed questionnaire and possibly a visit from a nurse for bloodwork and/or further questions.

The insurance company will evaluate your results and provide you with an offer. If they deem an aspect of your file as high risk, that offer may be rated – i.e. cost more – or denied.

Examples of high-risk items:

- Hazardous job or hobby
- Health
- Family health history
- Smoking status (tobacco or marijuana)

Only after accepting an offer is a policy in place.

Life insurance can be a powerful financial tool. I just scratched the surface of the topic. We didn't discuss the myriad of extra features available, nor the strategies that life insurance provides for dilemmas such as business succession, a family cottage, tax-efficient wealth transfer, and estate preservation. To discover how life insurance can enhance and protect your financial plan, contact KLT Wealth Management.

- Courtney Beach, QAFP

The KLT Team at the Wilmot Lion/Lioness and New Hamburg Board of Trade Charity Golf Tournament.



JUST FOR LAUGHS

I was one under today!
one under... a tree
one under...a bush
and one under...the water

Golf balls are like eggs. They are sold by the dozen.
And a week later, you have to buy some more.

If you think it's hard to meet new people.
Try picking up the wrong golf ball.

**Is there a topic or question you want
mentioned in a future newsletter?
send us an email at
team@kltwealth.ca**





HAPPY CANADA DAY

Things to do this summer

- Get off the couch and relax outdoors
 - Grab a blanket or lawn chair and grab something to read
- Go for a stroll
 - Go for a walk with family member or a friend - its a great way to exercise, catch up or clear your head.
- Explore your local farmer's markets
 - There's nothing like fresh seasonal produce
- Start a garden or join a community garden
 - It's a nice way to enjoy the outdoors, and get some sunshine.
- Have a picnic
 - Eating outside can be an easy way to get some fresh air and sunshine
- Try new exercise
 - Do something like hiking, tennis or swimming.
 - Don't forget your sunscreen and bug spray!
- Check our community events
 - Festivals, outdoor movies, yard sales, concerts, or farmers markets.
- Go exploring
 - Grab a map and find new areas you haven't been to.

How to stay healthy this summer

- Get outside and stay active
- Sun protection
- Drink plenty of water
- Stay cool
- Protect against bugs and insects

Monthly Recipe

Gourmet Italian Cold Cut Sandwich

Perfect for a picnic or pool side

Ingredients:

- 4 slices Italian or French bread, thick cut
- 6 slices mortadella, thinly sliced
- 4 slices prosciutto cotto, thinly sliced
- 4 slices prosciutto, thinly sliced
- 8 slices soppressata, thinly sliced
- 8 slices spicy salami, thinly sliced
- 4 slices tomatoes
- 2 leaves green leaf lettuce
- 2 slices red onion, thinly sliced
- 4 slices provolone cheese

Sauces (optional)

- 1 whole sun dried tomato
- 3 tbsp mayonaise
- 1 small clove garlic
- 1 tbsp olive oil
- 1/2 tbsp red wine vinegar
- 1/4 tsp dried oregano
- 1/4 tsp chili flakes
- 1 generous pinch salt



Directions:

1. Use a hand blender to blend the sun dried tomato, mayo and garlic into a smooth sauce, in a small bowl.
2. In a separate small bowl, whisk together the olive oil, red wine vinegar, dried oregano, chili flakes and salt.
3. Toast the bread.
4. Now assemble the sandwiches. Brush the mayo sauce on the bottom slice, add the cold cuts, cheese, lettuce, tomato, onion, add the vinaigrette and top off with the last slice of bread.
5. Serve with pickles or other favourite sides.

ENJOY!



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