



KLT

WEALTH MANAGEMENT



JUNE 2024



Market Watch

Not only did the month of May bring flowers and warmer weather, but also new all-time highs across some US market indexes. The first two weeks of May were flooded with positive news and earnings, bringing back the positive sentiment lost in April. The latter half of the month trailed off and has been relatively flat across the board with market weakness in recent days. In the US, the magnificent 7 continued to roar led by NVIDIA, META, and APPLE. Whereas Amazon and TESLA struggled to keep up with the April rally. Here in Canada, the financial sector was mixed in its recent earnings with BMO and TD falling, and RBC steamrolling ahead.

On the horizon, many await the BOC decision on June 5th – the majority of economists are expecting a rate change for the first time since the rate hikes were paused – this time, the first cut. By the time you read this, the decision will have been made. The fallout from this will be interesting to monitor. There are many expecting 4 cuts this year. Others believe 1-2 cuts are plenty. The biggest fear for the BOC is that rate cuts will stimulate spending, and inflation could tick back up. The rate decision and sentiment could also spur volatility in the housing and equity markets.

- Brad Wilson CIM®

Determining if You Can Retire Early

The average age for retirement globally ranges between 60 and 67. Here at home, it's 65. But what if you don't want to wait? Can you fund an early retirement? These questions require some heavy lifting to answer but let's dive in and at least start considering the possibility.

Why is 65 the 'Normal' Retirement Age for Canadians?

Although there has been some talk of increasing it, the standard retirement age in Canada remains 65. It's when people qualify for their full CPP benefit and Old Age Security – resulting in pension plans and wealth advisors using 65 when building retirement plans. Anything before this is considered early retirement.

So, is it feasible to retire before qualifying for full CPP benefits and OAS? There are three steps needed to discover the answer.

Step 1: Define Your Retirement

Long gone are the days when retirement was a handful of years. Now, retirement can be decades long. With that in mind, sit down and create a clear picture of your retirement.

- How will your daily expenses change?
- Will you travel? How often? How Far?
- Will you want to start a hobby?
- Will you work part-time into retirement?
- Will you and your spouse retire together, or do pension benefits, health issues, or an age gap hinder this?
- Will you downsize your home?

Once retired, you are, in a sense, self-employed. So, once you've mapped your retirement, start adding up the costs to determine how much you need at 65 to fund your dream? To be cautious, assume you are paying yourself at least into your 90s and include a buffer for unforeseen events, health issues, poor returns, etc.

Step 2: Know What You'll Have

Once you know how much money you need, calculate how much you'll have at 65 based on your current savings. Add up your retirement accounts and how much you're putting away. Also, factor in your accounts' average rates of return to approximate what you'll have at retirement.

Some group RRSPs and pensions provide projections which will help with your calculations. There are two ways I've seen this done. One, a projection on your yearend statement stating the estimated annual pay cheque your account will provide in retirement. Or two, your online portal has a questionnaire that will provide a projection once completed.

Step 3: Run the Numbers

Now it's time to compare what you'll need to what you'll have. If you are set to have excess funds – you can likely retire early. If it's tight – you need to recalibrate; either change your retirement picture or save more.

Ultimately, I recommend completing this exercise with a wealth advisor – like KLT Wealth Management. Tap into their expertise. They can to give you a comprehensive, tailored plan which include inflation and other factors you may not have considered. It's your dream – that doesn't mean you have to plan it alone.

To start your in-depth planning with KLT Wealth Management, contact us.

- Courtney Beach, QAFP

Father's Day - June 16th.



Congratulations to all
the graduates



National Indigenous Day
June 21st.



JOKE OF THE MONTH

What kind of garden does a baker have?

A flour garden!



Monthly Recipe

Strawberry-Rhubarb Crisp

Ingredients:

Filling:

- 2 pounds rhubarb stalks, sliced 1/2-inch thick
- 1 1/4 cups sugar, divided
- 1 pound strawberries, hulled and quartered
- 3 tablespoons cornstarch
- 2 teaspoons fresh lemon juice
- 1 teaspoon pure vanilla extract

Topping:

- 1 stick (4 ounces) unsalted butter, softened
- 1 1/2 cups light brown sugar
- 1 1/2 cups all-purpose flour
- 1 1/4 cups quick-cooking rolled oats
- 3 tablespoons canola oil
- 1 1/2 teaspoons cinnamon
- 3/4 teaspoon kosher salt



Directions:

Preheat the oven to 375°F.

In a bowl, toss the rhubarb with 3/4 cup of the sugar and let stand for 15 minutes, stirring occasionally.

In another bowl, toss the strawberries with the remaining 1/2 cup sugar and let stand for 10 minutes, stirring occasionally.

Using a slotted spoon, transfer the rhubarb to the strawberries; discard any rhubarb juice. Add the cornstarch, lemon juice, and vanilla to the fruit and stir well.

Transfer the mixture to a 9 x 13-inch glass baking dish.

For the topping, combine all of the ingredients in a medium bowl. Using a pastry blender or your fingers, mix the ingredients together until large crumbs form.

Sprinkle the topping evenly over the filling and bake for 30 minutes.

Reduce the oven temperature to 325°F and continue baking for about 30 minutes longer, until the fruit filling is bubbling and the topping is nicely browned.

Let the crisp rest for 10 to 20 minutes before serving.

ENJOY!

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





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Our mailing address is:
148 Peel Street Unit 1B, New Hamburg, ON N3A 1E3

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