



FEBRUARY 29TH, 2024
LEAP YEAR!





Market Watch

As we rang in the new year, equity markets continued where they left off with their strong finish in 2023. US Equity indexes are up around 3-4% YTD and we even saw the S&P500 hit a new all-time high. The optimism continues, hedging on bets of many interest rate cuts and a soft landing into a recession. We saw the Bank of Canada hold rates at their January 24th meeting and stated they aren't ready to close the door on further rate hikes. Rate cuts are on the horizon, but may still be further out than many anticipate. We saw inflation creep higher in December, and we may be running into sticky inflation, making it hard for the central banks to start easing rates.

As we look to markets in the next month, equities have run very hot in the last 3 months, and valuations are at levels we haven't seen since mid-2021. There is continued caution amongst many analysts, especially as these valuations climb even higher above historical averages. We may see some weakness in the markets at some point in the first half of this year.

Brad Wilson, CIM

Financial Planning for Children

Children present unique financial planning opportunities. Some strategies are widely known, like RESPs ... but others are not. Therefore, let's look at the options when planning for your little one(s).

Registered Education Savings Plans (RESPs)

RESPs are exclusively for education planning since money can only be withdrawn when a child is in a qualifying college, university, or apprenticeship. They can be opened by parents, guardians, or grandparents as soon they have a SIN. The government matches 20% on the first \$2,500 in contributions annually - that's \$500 in grant annually, up to \$7,200 in lifetime grants per child.

RESP money grows tax-sheltered. Only the grant and growth become taxable to the student when withdrawn, which can be offset by their student tax credits. Once out, the money can be used for any expense, not just tuition.

Look for a RESP that provides flexibility on contribution and investment options. You'll want one that suits your current situation while allowing adjustments should your cashflow change.

In Trust for Accounts (ITFs)

ITFs are another investment account used to save for a child's future. Unlike RESPs, ITFs can be used for any goal – education, car, home, etc. Many use ITFs to earmark an eventual inheritance.

ITFs can be used to introduce kids to investing – like an account with training wheels – it is under your authority. Then, on their 18th birthday, you can give them ownership or wait until they are ready to manage investments.

Anyone can set up an ITF for a child. However, keep in mind they are intended for long-term goals and taxes must be paid on any dividends, interest, and applicable capital gains at tax time.

Life Insurance

There are two life insurance strategies to contemplate when you have kids. One is having life insurance on yourself. No one wants to open a GoFundMe or sell a house while grieving, especially when there are children.

Two is purchasing a small whole-life policy, with a cash surrender value, for your child while it's cheaper. Insurance will give you the financial resources to grieve if needed plus it provides your child with financial tools into adulthood. First, they have coverage no matter their future health. Second, the cash surrender value can be used as collateral on a loan/mortgage or as emergency cash.

Your Estate

When you have children it's extremely important to have an updated will. You should discuss the finer details with your lawyer, but you must designate a guardian and a trustee for your kids – someone to raise them and another to manage the money. This can be the same person.

Considerations:

Guardian	Trustee
• Trustworthy • Good relationship with your kids • Experience with children • Stable and positive home environment • Physical and emotional ability to parent • Share your core values and beliefs • Financial means to parent • Willingness	• Trustworthy • Good at money management • Record-keeping and reporting skills • Strong analytical and problem-solving abilities • Willingness

Financial planning with children can be overwhelming, to discuss your options, contact us at KLT Wealth Management.

Courtney Beach, QAFP

RRSP DEADLINE FEB.29TH



**TAX SLIPS ARE
BEING DELIVERED!**



**TAX DEADLINES
PERSONAL - APRIL 30TH
SELF - EMPLOYED - JUNE 17TH**



February 2
Groundhog
Day



February 14
VALENTINE'S
DAY



February 19
FAMILY
DAY

Coldest Night of the Year

Save the Date!

February 24, 2024

KLT Wealth Management is proud, once again, to support the Coldest Night of the Year Fundraiser.

Together, we provide donations that fund critical services at the **Wilmot Family Resource Centre**, a local charity partner who serves and supports vulnerable families and individuals in our community.



Double Click the image below to help our team support the cause..



It's cold out there!

The Coldest Night of the Year is a winterrific family-friendly walk to raise money for local charities serving people experiencing hurt, hunger, and...

* Coldest Night of the Year 2024

JOKE OF THE MONTH

Happy February 15th

The glorious day when all of the Valentine's Day Candy is on sale



Monthly Recipe

Fudgy Cocoa Brownies

For your Valentine ❤️

Ingredients:

- 1/2 cup unsalted butter, melted and HOT
- 1 tablespoon cooking oil, (olive oil or coconut oil are fine)
- 1 1/8 cup superfine sugar, (caster sugar or white granulated sugar)
- 2 large eggs
- 2 teaspoons pure vanilla extract
- 1/2 cup all purpose flour
- 1/2 cup unsweetened cocoa powder
- 1/4 teaspoon salt

Directions:

1. Preheat oven to 350°F (175°C).
2. Lightly grease an 8-inch square baking pan with cooking oil spray. Line with parchment paper; set aside.
3. Combine hot melted butter, oil and sugar together in a medium-sized bowl. Whisk well for about a minute. Add the eggs and vanilla; beat until lighter in colour (another minute).
4. Sift in flour, cocoa powder and salt. Gently fold the dry ingredients into the wet ingredients until JUST combined (do NOT over beat as doing so will affect the texture of your brownies).
5. Pour batter into prepared pan, smoothing the top out evenly. (OPTIONAL: Top with chocolate chunks or chocolate chips.)
6. Bake for 20-25 minutes, or until the centre of the brownies in the pan no longer jiggles and is just set to the touch (the brownies will keep baking in the hot pan out of the oven). If testing with a toothpick, the toothpick should come out dirty for fudge-textured brownies.
7. Remove and allow to cool to room temperature before slicing into 16 brownies.

OPTIONAL ADD INS:

Crushed walnuts, peanuts, almonds, pecans, chocolate chips, peanut butter chips, or chocolate chunks,



ENJOY!

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



same as last time
[click here - Blog/Podcast](#)

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