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24

JANUARY 2024



Market Watch

With less than two weeks until the new year, the broad markets have enjoyed a nice rally in December. This is typical of the markets leading into the Christmas season. Although, that rally came to a halt, with a significant late-day selloff. The market is reacting to news of inflation data coming in higher than expected, and many stocks are entering overbought territory. We aren't likely to see much more movement in the final trading days to close out the year.

As we move into 2024, many anticipate the beginning of the year to be potentially volatile. We have heard from the Bank of Canada that we are on the right track, but easing isn't likely to come in the first half of the year. This, coupled with a recent run-up in the market, could lead to some weakness at the beginning of 2024.

Wishing everyone a wonderful New Year!

-Brad Wilson, CIM[®]

Inflation and Its Impact on Your Portfolio

I've heard more about inflation in the last year than in the previous 10. It's affecting everyone's cashflows but what about investment portfolios? Let's dig in and talk about what inflation is, how it's calculated and how it impacts your investment portfolio.

What is Inflation?

Inflation is the rise in prices of products and services. As much trouble as it is giving everyone lately, it is necessary for a healthy economy.

Inflation/prices are affected by three factors:

1. An increase or decrease in demand.
2. Production costs increase or decrease.
3. Consumers have more money to spend.

All three factors helped cause our recent inflation. COVID changed what we spend money on, changing demand for specific products and services. We had increased production costs due to COVID and the reshoring of jobs. Lastly, government stimulus gave consumers money.

Tracking Inflation

Countries around the world track inflation to help determine the health of their economies and set fiscal policies. The Bank of Canada has determined a 2-3% inflation rate is needed to maintain a healthy economy.

Statistics Canada tracks Canada's inflation by comparing today's prices of products and services to those of the previous year – Products including food, shelter, transportation, household expenses, clothing, recreation, etc. The results are our inflation rate or the Consumer Price Index (CPI).

Inflation and Investing

Now... what does this have to do with saving for your goals?

The most obvious is cashflow. The more excess cashflow you have, the easier it is to put money towards long-term goals.

Second, high inflation can eat away at the purchasing power of your portfolio. Let me explain...

Most investors want to see the dollar amount on their statement increase over time – a valid desire. However, at a minimum, you want to be able to buy the same amount with your portfolio tomorrow as you can today...if not more. Long periods of high inflation can make this challenging.

Picture this. Patty and Jim always wanted to travel to Europe. They ran the numbers and discovered they could afford to go. But with jobs and kids, they didn't have the time. Instead, they invested the money, intending to take their trip upon retirement.

Years later, retirement is now here, and their investment has grown. Excitedly Patty and Jim dust off their old plans and start mapping out their long-awaited European getaway. However, they quickly realize their money no longer affords them the trip they originally planned. In other words, the cost has gone up faster than the growth of their investment – their portfolio lost purchasing power.

When CPI is low, this is rarely a problem, but when CPI is higher for longer, it's something you and your Financial Advisor / Portfolio Manager need to consider and adjust for when planning for your future.

To discuss inflation's impact on your portfolio, contact us at KLT Wealth Management.

- Courtney Beach, QAFP

More Information

- [Statistic Canada: Price Indexes Portal](#)
- [Bank of Canada](#)



*Congratulations
Joe!*

Joe Figliomeni, CPA, CGA, CFP®, CIM®
Certified Financial Planner®
Associate Portfolio Manager, Managing Partner

Congratulations to Joe for becoming an Associate Portfolio Manager (APM) with QWealth.

A bit of History.....When we moved from Investia to QWealth Partners, we changed regulatory bodies (Mutual Fund Dealers Association to Ontario Securities Commission OSC). We were able to make this move because QWealth is the registered body with OSC and KLT was a partner in QWealth.

It has been Joes plan to get registered in order to provide services such as portfolio management collections/review of know your client (KYC) information, risk profile/suitability/mandate determination; portfolio construction; trading, monitoring and rebalancing of portfolio; portfolio reporting and reviews.

Associate Portfolio Managers are subject to oversight by Portfolio Managers. Currently, the KLT Portfolio Manager is Josh Brown.

Over the last 2 years, Joe has been working on getting to this point and over the next 2 years, he will be working towards becoming the Portfolio Manager.

Congrats again Joe!

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,...

* Coldest Night of the Year 2024

JOKE OF THE MONTH

Which one is faster, hot or cold?

"Hot. You can catch a cold."



Monthly Recipe

Nonnas Italian Pastina Soup

Perfect for cold and flu season

Ingredients:

2 Tbsp olive oil
1 medium onion, finely chopped
2 stalks of celery, finely chopped
1 carrot, peeled and finely chopped
2 cloves of garlic, smashed
Salt, to taste
Pepper, to taste
6 cups chicken stock, homemade or store bought
1 Parmesan rind (optional)
1 chicken breast, cooked and shredded
1 cup pastina pasta
Parmesan, for serving



Directions:

- In a large pot over medium heat add the olive oil, onion, celery, carrot and garlic. Season with salt and pepper to taste. Cook until softened, about 5 to 8 minutes.
- Add the chicken stock and parmesan rind. Bring to a boil and reduce to a gentle simmer.
- Stir in the chicken and cover with a lid. Simmer for 30 minutes.
- Just before serving, add the pastina and cook to al dente, about 8-10 minutes. (see box instructions) If you are making the soup in advance, do not add the pastina until you are ready to serve.
- Transfer to a soup bowl and garnish with parmesan cheese.

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

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Q Wealth Partners is a registered trade name of Quintessence Wealth, a registered Portfolio Manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, and Saskatchewan, an Investment Fund Manager in Newfoundland and Labrador, Ontario, and Quebec, and an Exempt Market Dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec, and Saskatchewan. The Ontario Securities Commission (OSC) is the principal regulator for Quintessence Wealth. Please visit www.qwealth.com for more information.

