



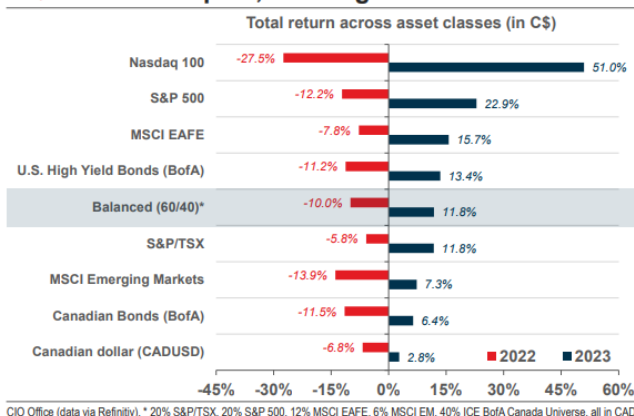
New Year Preparation ~ Laurel Hickey & Garth Bluekens

What's New Year Preparation Got To Do With It?

By the time you are reading this update, it will already be the start of 2024. Welcome to the New Year, we are excited to see what the year holds! When we wrote our November update, we had already seen a strong rebound in markets since the lows of the end of October. These gains weren't erased in December and the year closed out much better than it started. As mentioned in the National Bank Investments CIO Asset Allocation update, holders of a classic 60% equities and 40% bonds portfolio will mostly find themselves in a position similar to the end of 2021. With the losses of 2022 being relatively offset by the gains of 2023.¹ As seen in the below graph the returns across asset classes show almost a full recovery.

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2 | After 2022's pain, 2023's gain...



We hope this momentum continues into the New Year, but we are still in an uncertain economic environment. Inflation has been coming down, but the labor market is proving to be resilient, which could cause delays to the much-anticipated cutting of interest rates. Each new piece of information brings new speculation to when the first cut may occur and by how much. You can't control much in the current economic environment, which is why we like to

focus on the items that we can control. Like our November update that highlighted items for year end, we want to use the December update to highlight items to prepare for 2024. By making sure your financial checklist is in order, you are setting yourself up for the year ahead.

First off, the TFSA limit for 2024 has increased to \$7,000. A TFSA account continues to be an advantageous account that often is the first place we direct clients when they have funds available to invest. With the increase in the 2024 limit, you may need to adjust the amount of any monthly auto-contributions you make. If you need to make an adjustment or if you want to bring funds in from your bank account to contribute, we are a phone call or email away.

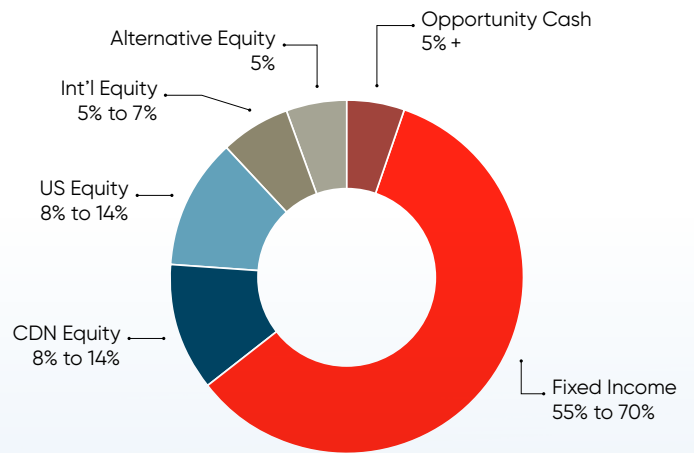
The next item we want to highlight is RRSP contributions as we prepare for tax season. RRSP contributions that can be used against your 2023 income need to be done before February 29th, 2024. Before making a RRSP contribution, look at your 2023 income to see how much may make sense to reduce your taxes owing, but also consider if the funds would be better suited going towards your TFSA. Factors like if you are contributing to a work plan and if your employer matches these contributions need to also be considered to avoid overcontribution. We are here to discuss all these items to make sure your contributions benefit your overall financial situation.

Lastly, with a new year brings your 2024 Annual Wealth Review. Maybe we just met with you at the end of 2023, or we haven't had a full review since a year ago, but the new year brings another opportunity for us to sit down and review your plan. We want to make sure you are still on track to meet your retirement or financial goals. A lot can change in a year in your financial situation which is why we find it so important to update your plan annually. We always ask about what is on your list when we meet, so start to gather your list!

Conservative Income Investment Goal Allocation

Your Investment Policy **CONSERVATIVE INCOME:**

On the whole, you want fixed income investments. You want to preserve your capital or create a source of periodic income to finance ongoing expenses. You are not against the idea of investing a small part of your portfolio in equities, mainly to counteract the effects of inflation. If you feel that your risk tolerance has shifted please let us know!



Source: This information is for illustration purposes and subject to change. Your portfolio may not hold all of these positions. We enhance the composition of your portfolio with additional equity solutions that are not illustrated. The weightings change with market fluctuations and model rebalancing.



Laurel Marie Hickey, CFP®, CIM®, FCSI®
Wealth Advisor & Portfolio Manager
239 8th Avenue SW, Calgary, Alberta T2P 1B9



Garth Bluekens, CPA, CA, PFP®, CIM®
Senior Wealth Advisor & Portfolio Manager
404 6th Street S, Lethbridge, Alberta T1J 2C9

Tel.: 403-531-8429 | Toll Free: 1-877-506-7900 | Email: laurel.hickey@nbc.ca



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