Nexus Notes

July 2025
Vol. 30, No. 1

Featuring:

Invest *Thoughtfully®*

NEXUS

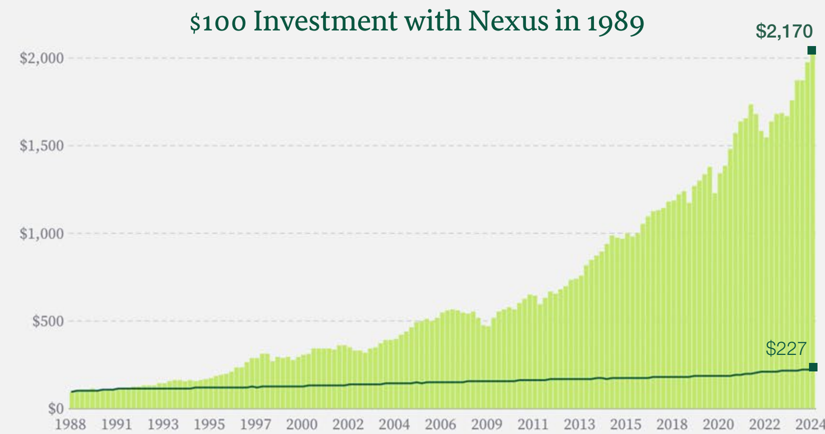
Our market-resilient investment strategy focuses on long-term results, providing investors with peace of mind through all stages of life.

Building Value for Clients

Since its establishment in 1988, Nexus has pursued an investment approach which concentrates on real growth in client wealth over the long term.

The chart illustrates the impact of this long-term investment thinking – a $100 investment in a balanced portfolio in 1989 has grown to $2,170 as at June 30, 2025.

$100 Investment with Nexus in 1989



1 CPI is the "all-items" Consumer Price Index for Canada, not seasonally adjusted.

2 "Nexus" reflects the performance of a composite of Nexus accounts managed to a balanced mandate (until September 30,1997) and the Nexus North American Balanced Fund (thereafter). Returns shown prior to the deduction of investment management fees.

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In this issue:

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Houston, We May Not Have a Problem

Last year, I finally had the opportunity to visit the Kennedy Space Center in Florida, a place I dreamed about visiting when I was 10. Like many kids at the time, I was in awe of the wonders of space exploration and the idea of traveling beyond our planet. As time passed and I got older, that dream didn't necessarily disappear but could be better described as receding into the background. Other things became more important, and I didn't even notice this happening. But walking through the Space Center last spring, I was struck by how excited I was to be there, and I briefly felt like what it was to be 10 again and fulfill that old dream.

I realize this is the second time I've talked about NASA. But for a good reason, as our speaker at last year's November event was Dr. David Williams, a medical doctor, health expert, and former astronaut. Dr. Dave lived up to all the expectations my 10-year-old self would have had when meeting a real-life astronaut.

Dr. Dave inspired us with tales of his life and experiences in space. He also provided practical tips on health and aging. Researchers have discovered that the effects of being in space are strikingly similar to aging. This has drawn NASA's attention to studying the effects of aging as well as the potential of reversible aging. When astronauts return to Earth, their bodies begin adapting again to the conditions on the ground. This has enhanced our understanding not only of how to help people recover from the effects of long periods of bed rest, such as when recovering from an illness, but also of how to recover some of the vitality that can be lost when we age. That loss is often the result of a lack of activity.

Dr. Dave further explained that when he was first studying medicine, the prevailing understanding of aging was that over a typical lifespan, an individual would have a period of healthy years early on, followed late in life by years with age-related diseases that ultimately affected their quality of life. However, that framework has radically changed, as there is now an understanding that people can maintain their health for longer than once believed. This can be achieved by doing relatively simple things that can optimize their "healthspan". At a very basic level, one of those key factors is staying active and mobile.

At Nexus, we frequently talk about the "long-term" in our investment philosophy and our approach to planning. This is why the theme of Living to 100 has become a frequent topic of conversation at the firm. Usually, this translates into first making sure our clients have the financial resources they need for a very long time. But inevitably, that discussion should expand to include enjoying that time as well. While there is no promise of a fountain of youth, we do know that there can be many more active, healthy years than was once believed. From time to time we may even remember what it was like to be 10 again.

Brad Weber
CPA, CA, CFP, CIM

Taking Ownership

A Better Path Towards Your First Down Payment

Presenting a viable path for first-time home buyers to save for a down payment by making the most of their registered investment accounts.

by Jack MacDonald, CIM

My name is Jack MacDonald, and I have recently joined Nexus Investments as an Associate Wealth Manager. I am very excited to be here, and look forward to working with our clients for many years to come!

Housing affordability has been a topic of conversation in Canada for a while, and the headlines will not be going away anytime soon. We hope the following article will be useful for any investor – regardless of age – beginning their journey to first-time home ownership. The purpose of this feature is not to suggest that buying your first home is the ultimate achievement, but to make it a more achievable reality.

Further to Dianne White's article in October of 2024 entitled "Beyond the Down Payment: 10 Tips for Helping Your Child Buy a Home"; this article will be a guide for how the child (I prefer the term young professional!) can contribute or take over the process themselves.

A Question

In five years, would you rather have $67,021 (Path A) or $105,971 (Path B) to put towards your first home?

Path A – Invest $1,000 a month using a taxable account, or

Path B – Invest $1,000 a month using available registered accounts

Both scenarios use the same return assumptions which will be highlighted later.

Therefore, the choice is obvious:

Path B is the quicker route to becoming down-payment-ready. Our "Path B Strategy" below will show how one can make the most of their registered accounts to get their down payment primed for the bargaining table.

What is a Registered Account, and Which Ones Should I Use?

A registered account is an investment account that allows for tax deferral and tax sheltering. These include RRSPs (Registered Retirement Savings Plan), TFSAs (Tax-Free Savings Account) and FHSAs (First Home Savings Account). For our plan below we will focus on RRSPs and FHSAs.

RRSPs

RRSP contributions are tax-deductible, meaning that the amount contributed to an RRSP in a given year can be deducted from that year's earned income, potentially reducing the total amount of taxes you pay. In addition, the funds invested in an RRSP are tax-advantaged: any investment income earned from investments held within the RRSP will grow tax-deferred until funds are withdrawn, at which point they are taxed as income.

For example, if my taxable income is $120,000 and I make an RRSP contribution of $12,000, I now only need to pay tax on $108,000. If I live in Ontario, this means that I've saved $5,004.[1] This RRSP contribution has proven to be beneficial to me in two ways:

1. Any investment gains on my contribution of $12,000 will grow tax-deferred, and
2. My tax savings have generated an additional cash flow of $5,004!

These benefits are universal to all RRSP holders. However, the 'bonus' of an RRSP for a first-time home buyer is the ability to access the Home Buyers' Plan (HBP). Above we mentioned that once funds are withdrawn from an RRSP, they are taxed as income. However, under the HBP, $60,000 can be withdrawn from your RRSP tax-free if it is going toward the purchase of your first home. Once withdrawn, these funds must be repaid into your RRSP over 15 years.

In our "Path B Strategy" example below, we'll save for our down payment by contributing to our RRSP and reinvesting the resulting tax refunds.

FHSAs

A First Home Savings Account (FHSA) is a registered plan which allows a first-time home buyer to save and invest money to buy or build a qualifying first home tax-free. One can make five annual contributions of $8,000 (maximum), up to lifetime plan amount of $40,000.

	Year 1	Year 2	Year 3	Year 4	Year 5	Final Tax Refund
Beginning Balance	$ -	$ 12,556.80	$ 30,932.42	$ 51,988.73	$ 74,599.67	$ 98,440.78
Monthly Savings	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ -
Tax Refund Reinvested	$ -	$ 5,004.00	$ 6,751.00	$ 7,303.00	$ 7,476.00	$ 7,531.00
Monthly Savings + Tax Refund	$ 12,000.00	$ 17,004.00	$ 18,751.00	$ 19,303.00	$ 19,476.00	$ 7,531.00
Investment Gains	$ 556.80	$ 1,371.62	$ 2,305.31	$ 3,307.94	$ 4,365.11	$ -
Total Savings at End of Year	**$ 12,556.80**	**$ 30,932.42**	**$ 51,988.73**	**$ 74,599.67**	**$ 98,440.78**	**$ 105,971.78**

Much like RRSP contributions, FHSA contributions reduce your taxable income, and any investment gains are not taxed within the plan. The 'bonus' that comes with an FHSA, however, is that withdrawals can be made tax-free and they do not need to be repaid as they would under the HBP.

Now to the Path B Strategy!

Key Assumptions:

- You are 18 or older, employed, and have average annual compensation of $120,000 over the most recent five-year period.
- You have annual savings of $12,000: $8,000 is contributed to your FHSA and $4,000 to your RRSP. All contributions will reduce your taxable income and thus generate additional cash flow via tax refunds.
- Your tax refund is reinvested back into your RRSP – this part is critical and the backbone of the plan. This reinvestment will also decrease the dollar amount used for calculating your taxes owing, which will ultimately lead to larger tax refunds in future years.
- Your lifestyle allows for meaningful savings. Investing $1,000 a month will require budgeting and discipline. At an annual income of $120,000 that would be an after-tax savings rate of 13%.[2]
- You are invested in a balanced mandate (65% equity, 35% fixed income) that returns 5.89% (gross) annually. Management fees of 1.25% are deducted for a net return of 4.64% per year.[3]

The Math

As shown above, through capitalizing on your tax refunds, it will take 5 years to turn $60,000 of savings into $105,971.[4] See the full breakdown below:

- Savings: $60,000
- Tax Refunds: $34,065
- Investment Gains: $11,906
- RRSP Balance: $60,047 (only $60,000 can be withdrawn tax-free under the Home Buyers Plan)
- FHSA Balance: $45,924

Remember Path A?

Why does Path A result in a materially lower amount, even though you are saving the same $1,000/month and earning the same 4.64% return on your investments? Through a taxable account (i.e., not a tax-favourable registered account like the RRSP or FHSA), you are missing out on receiving any tax refunds, which significantly contribute to the final amount through the power of compounding. In addition, when it's time to convert those investments into cash, you would need to realize the gains and the tax you would be paying reduces the value of your down payment. As a result, your final total would have been $67,021.[5]

Side note: even if the $1,000/month was put into a TFSA (another type of registered account in which all investment gains are tax-free), the final balance would have been $68,887[6]. Through this comparison, you can see how critical it is to receive the tax refund on your contributions – and reinvest them – as described in Path B.

Conclusion

There are many factors to consider when determining whether buying a particular property is the right move for you. However, by maximizing your registered accounts you can put yourself in a position where you have more choice and flexibility in your decisions than you would with a taxable account.

Hopefully, this article inspires you and helps you take the necessary steps to achieve your homeownership dreams.

Please don't hesitate to contact your Nexus Wealth Manager if you would like to learn more about investing for your first home.

1 According to EY's 2024 online RRSP savings calculator. https://www.eytaxcalculators.com/en/2024-rrsp-savings-calculator.html

2 Calculated as $12,000/$90,646. After tax income calculated according to EY's 2024 Personal Tax Calculator. https://www.eytaxcalculators.com/en/2024-personal-tax-calculator.html

3 The calculations or other information in this article regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only. Balanced mandate comprised of 5% cash / 30% bonds / 65% equities. Assumed asset class returns are: cash 3%, bonds 4%, equities 7% (2.75% dividends / 4.25% capital growth).

4 We have assumed that all tax refunds and monthly savings are invested at the beginning of the year and the final tax refund is received at the end of Year 5.

5 Calculated by using the same return assumptions of 4.64%. 20% was used as an approximate tax rate on the investment gains, assuming that the majority of the appreciation were capital gains for tax purposes.

6 Calculated by using the same return assumption of 4.64%, no tax deducted.

The Asymmetry of Returns:

An Ode to Quality Active Management

If you're a long-standing Nexus client, you have heard us say, oh, a few thousand times, how important it is to protect capital in down markets. Intuitively it makes sense: goal = try not to lose money.

by Alexandra Jemetz, CIM

But, we are invested in capital markets, and those markets rise and fall for a myriad of reasons beyond the sensible, including rumours, click-bait headlines and the constant tug-of-war between fear and greed. Markets often defy fundamental logic in the short term and can be driven by emotional extremes, algorithmic trading, and the whims of speculative traders. Passive investors may ride the ups, but they are equally exposed to sharp declines that can erode gains before rationality is restored. By acknowledging this irrationality, we can build strategies that seek to exploit inefficiencies rather than be at their mercy.

As an active equity and bond manager whose main objective is to create real wealth for our clients over the long term, avoiding all negative returns is Utopian, especially over short time periods. Although we do not manage to any market or index, some clients use market proxies to compare our performance, and so relative returns matter to them. If you ask us, our preference is to achieve positive, real, absolute returns rather than positive relative returns. As Nexus colleague Denys Calvin often says, "You can't eat relative hamburgers."

But why do we keep emphasizing downside protection over upside capture? If markets go up more often than down, isn't it enough just to be invested in an index product? Why do we worry so much about the much-less-frequent dips? To quote Shelby Cullom Davis[1], a U.S. businessman, investor and philanthropist (also quoted by Denys in his 2019 blog on a similar topic): *"You make most of your money in down markets – you just don't realize it"*.

And the reason for this essentially comes down to two things: volatility, and the concept of asymmetric returns.

The Numbers

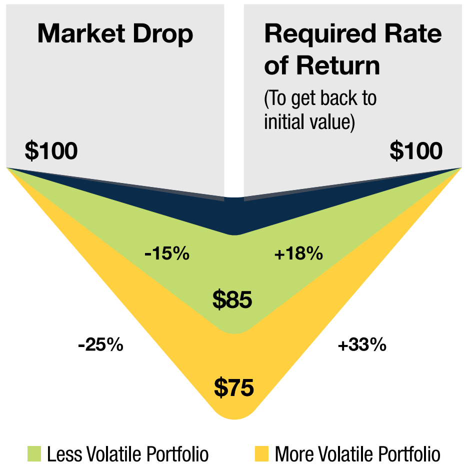
For those who have no need to withdraw from their portfolio, it can be argued that volatility doesn't matter, as long as your investment strategy is aligned with your risk tolerance and a long investment time horizon. For them, an index fund might be fine if they can stomach the wild swings it brings. However, most people – and most of our clients – withdraw money at some point, whether a regular amount to cover lifestyle expenses, or in chunks to make gifts, purchase a big-ticket item, or pay tax. In this respect, volatility does matter. Volatility – or the fluctuation of asset values from time to time – can cause not just a bad night's sleep, but also real and permanent loss of capital if one withdraws from the portfolio at a time when it's down. Minimizing those downward swings is the key.

This risk becomes particularly acute for retirees and income-focused clients who rely on systematic withdrawals. When a portfolio suffers significant losses early in a withdrawal phase, subsequent withdrawals represent a larger proportion of the remaining assets, compounding losses and reducing future income potential. This sequence-of-returns risk underscores why smoothing the ride is essential: it preserves both capital and the psychological comfort needed to stick with a long-term plan.

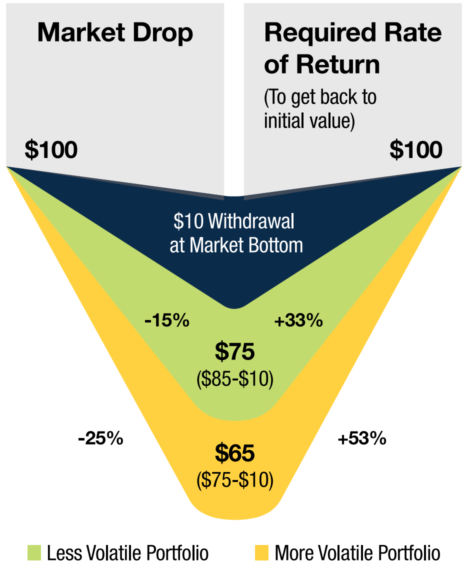
This is the beauty of quality active management, and often the math behind it is overlooked. Simplistically, this concept can be shown by the example below:

Imagine two portfolios: **1)** the "market" (represented by any index fund, for example, an S&P500 ETF) and **2)** a less volatile portfolio with downside protection. Let's call this second one a "quality" portfolio, as these characteristics are typically associated with quality investing (as Nexus employs). Quality management entails identifying companies that have characteristics such as low or manageable leverage, low cyclicality, proven profitability, ability and willingness to pay dividends, strong management, and a stable business model. Nexus, following our growth-at-a-reasonable-price style, prefers to purchase these companies at reasonable valuations, which also contributes to downside protection.

If you start with $100 and the market drops 25%, you have $75 left. To get back to that original $100 you need a return of ***+33%***, not just 25% (hence the term 'asymmetric'). Now let's look at the quality portfolio. If that portfolio went down 15% (because it's less volatile), you'd need only ***18%*** to get back to $100. So, going down less is clearly better because your portfolio essentially has to work less hard to recoup its losses.



Now, let's say you need money, and the market happens to be down. In the chart below, we've taken $10 out at the bottom of the market and calculated the return needed to get back to $100. In this case, the differences are even more dramatic – you need an *additional* 20% (53%-33%) for the market portfolio but only 15% (33%-18%) more for the quality portfolio. This example illustrates how hard a portfolio without a downside protection bias has to work simply to catch up, let alone have a chance at outperforming.

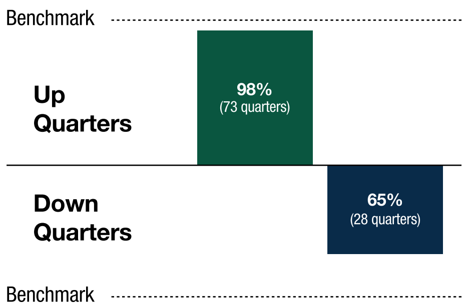


The Nexus Advantage

The benefit of a Nexus portfolio is that – on average over the long term – not only does it decline less than the market in weak periods, it also manages to keep up with the market in positive return periods, creating what now-retired Nexus colleague Fergus Gould called a "ratchet effect".

To illustrate, below we present charts that show data on the Nexus North American Balanced Fund (as a proxy for a typical balanced client), in both up-and-down-market capture, and risk versus return over the last 25 years. The Balanced Fund, relative to its benchmark, has achieved solid performance in up markets, capturing, on average, 98% of the market return in positive periods (green bar). However, it has performed significantly better in down markets, capturing, on average, only 65% of the market decline (blue bar).

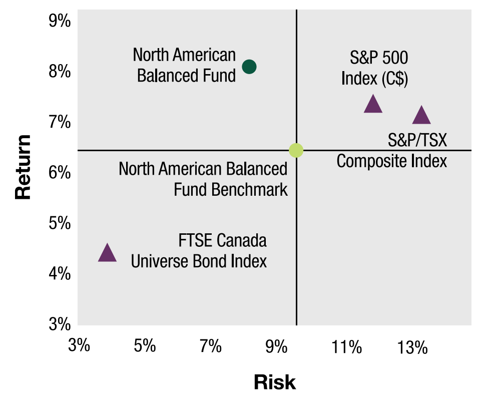
Balanced Fund Up- & Down-Market Capture Ratios [2,3,4]



The result of this "ratchet effect" is shown in the chart below. Risk (measured by standard deviation of returns) and annualized return (measured on a time-weighted, total return basis) of the Balanced Fund are superior to the benchmark against which the Fund is measured. Charts for our North American Equity Fund and Income Fund show similar results.

Both of these charts are evidence that Nexus's quality, long-term approach to portfolio management benefits clients.

Risk / Return Profile Since January 1, 2000 [3,4,5]



Conclusion

As with everything return-related in investing, we can't promise that this up/down behaviour will work all the time, especially in short-term time periods. However, we can assure our clients that we remain steadfast in our portfolio management discipline and will not stray from our founding philosophy from 37 years ago which focuses on long-term wealth creation and capital preservation, especially in down markets. As they say, *"Don't fix what ain't broke."*

1 https://en.wikipedia.org/wiki/Shelby_Cullom_Davis
2 Each quarter since January 1, 2000 is defined as an "up" or "down" quarter based on whether the benchmark return for the quarter was positive or negative. For up (down) quarters, the capture ratio is the ratio of compound average rates of return for the Fund and its benchmark for such quarters. For more information about benchmarks, please refer to https://tinyurl.com/NexusOnBenchmarks.
3 All Nexus returns upon which these charts are based are time-weighted, total rates measured in Canadian dollars and calculated after deducting such direct and indirect costs as applicable withholding taxes, trading commissions, custody fees and other fund/account expenses, but without deducting Nexus's management fees (which are charged to client accounts and vary by client). Underlying returns for market indices and benchmarks are presented on the same basis, but without any such deductions. Past performance is not indicative of future results.
4 Balanced Fund benchmark is 5% FTSE Canada 91 Day T-Bill Index, 30% FTSE Canada Universe Bond Index, 40% TSX, and 25% S&P 500 (in C$); rebalanced monthly.
5 Risk is calculated as the annualized standard deviation of monthly returns since January 1, 2000.

Navigating Uncertainty in Financial Markets

by Graham Meagher, CFA

Uncertainty is back. Actually, it never left. And that's OK. Your investment strategy is built to handle it.

Uncertainty – generally a harmless word and rarely considered offensive. Lately however, it's uttered with increasing frequency and contempt, while often wrapped in a subtext of confusion and fear. More troubling, is the word's appearance in the outlooks of central bankers, politicians, and corporate executives. This is for good reason. Uncertainty is rising dramatically as the new U.S. administration has upended many core beliefs, muddied the economic outlook, and left many scratching their heads. The introduction of tariffs (and proposed tariffs) has threatened to disrupt global supply chains and reintroduce inflation. Stock and bond markets dislike sudden increases in uncertainty, as demonstrated by significant price volatility in recent weeks.

You may be wondering if this uncertainty will derail your investment strategy

This is a natural response as uncertainty inherently creates discomfort for humans. Psychologists Daniel Kahneman and Amos Tversky introduced the Loss-Aversion Theory in 1979, in which they found that people tend to feel the pain of loss twice as strongly as the pleasure of an equivalent gain.[1] That sounds about right given the roller coaster the stock and bond markets have been on this year. Rest assured, at

Nexus, we are well positioned to manage uncertainty on your behalf.

Uncertainty is always present, but it varies in intensity

Whether it's selecting the correct route to avoid traffic, picking the winning college basketball team for March Madness, or investing for your future, we can make educated guesses but cannot predict outcomes with certainty. The range of outcomes (or the distribution of outcomes for the statisticians in the room) varies as the information we take in becomes more or less perfect. As Michael Mauboussin put it in his book More Than You Know: Finding Financial Wisdom in Unconventional Places, "Risk has an unknown outcome, but we know what the underlying outcome distribution looks like. Uncertainty also implies an unknown outcome, but we don't know what the underlying distribution looks like." Greater uncertainty doesn't necessarily imply greater risk.[2] Rather it leaves us feeling less confident about the future, even if the most likely outcome is the same.

Who had "A return to 1930s style trade protectionism" on their bingo card for 2025? Significant changes in uncertainty have historically been associated with major stock market corrections, such as during the recent COVID-19 pandemic, the Global Financial Crisis of 2007 to 2009, and the speculative bubble of the Tech Wreck from 2000 to 2002. Today, the rise in uncertainty is driven by the Trump administration's sudden and severe pivot to protectionism, its willingness to fracture global trade relationships, and the announcement of the largest U.S. tariffs since the 1930s. Exacerbating the uncertainty is the lack of clarity in the administration's intentions, a disregard for economic principles, and an apparent willingness to sustain a recession and rekindle inflation. Not surprisingly, we can't predict whether the negative financial market reaction will persist, or wane as others have in the past. However, as we wrote in August 2020, the stress caused by the uncertainty is discomforting.[3]

In The Psychology of Money, author Morgan Housel writes that "The volatility/uncertainty fee — the price of returns — is the cost of admission." In other words, we must endure uncertainty and volatility to access stock market returns to grow your wealth.[4] This is not inherently good or bad; rather, we must be prepared to accept occasional spikes in economic and stock market uncertainty. How we manage that uncertainty is critical to success.

Nexus has a toolbox to manage uncertainty

One tool we use is inversion. Rather than focus on what is uncertain, we focus on the opposite – what we believe to be certain. Legendary investor Charlie Munger preached "invert, always invert" to refocus the mind on what matters.[5] We adopt this mental model of shifting perspective, by reminding ourselves of what we believe to be certainties. For example, over the long term we believe that Canada will produce goods that the world wants, businesses will strive to be successful, and individuals will work hard. Furthermore, we believe stock markets will reflect the value of the underlying businesses, and bond markets will reflect the risk of individual issuers.

In addition to inversion, we use patience and discipline to our advantage, avoiding the urge to act impulsively when individual stock prices move rapidly. We combine these with other risk management strategies such as diversification and valuation discipline (in other words, we don't overpay) to add protection and resilience to the portfolio. We also use our collective experience through multiple market cycles to identify opportunities when other investors act irrationally.

Your wealth plan with Nexus serves as your North Star, your confidence that shines brightly when uncertainty reigns

The Nexus investment philosophy is built to protect and grow your capital regardless of the level of uncertainty. We start with your financial situation, your needs, and your wants, and we develop a detailed plan including savings, spending, and allocation between stocks and bonds. Our equity strategy, which focuses on a diversified portfolio of high-quality companies, acquired at reasonable prices, has compounded capital over the long-term and performed relatively well in periods of market stress. Similarly, our bond strategy focuses on high-quality issuers, which has added important stability.

Uncertainty will rise and fall over time, and while this fluctuation may elicit a strong reaction, its presence cannot be avoided. At Nexus, we deal with uncertainty every day, and we manage it by staying true to your wealth plan and our investment philosophy. You can be certain of that.

1 https://thedecisionlab.com/biases/loss-aversion
2 https://www.google.ca/books/edition/More_Than_You_Know/_7mrAgAAQBA-J?hl=en&gbpv=1&printsec=frontcoverl
3 https://nexusinvestments.com/insight/uncertainty-who-needs-it-apparently-we-do/
4 https://www.google.ca/books/edition/The_Psychology_of_Money/5HrrDwAAQBA-J?hl=en&gbpv=1&printsec=frontcover
5 https://fs.blog/inversion/

Conquer Your Middle-Aged Money Worries:

Why Now's the Perfect Time to Plan for Retirement

by Tricia Allen

As one of the new members of the Nexus team, I'd like to introduce myself! I'm Tricia Allen and one of the new Associate Wealth Managers. With nearly 20 years of experience at TD Bank and Procter & Gamble, I'm eager to contribute my skills and insights to the team.

One of the benefits of an exciting life development, like changing jobs, is having an excuse to make the time to catch up with old friends and colleagues. It was on one of these catch-up coffees that I sat across from a former colleague who was, like me, also in his 40s. I shared with him some of the key highlights of the first few months on the job. When I mentioned the importance of a strong Wealth Plan as a key part of the overall Investment Management process, and how much someone like us may need to save for retirement, his face turned a bit pale. "How much do I need to retire, and when should I start saving?" he worried.

This is a common concern for many "middle-aged" individuals (between 40 and 60). We're often at the peak of our careers, but also juggling family responsibilities, caring for aging parents, trying to keep an active lifestyle, maintaining a social life, etc. With all these conflicting pressures, it's easy to get caught up in the day-to-day whirlwind of life and put long-term planning on hold. I hear it all the time from friends and acquaintances: "in five years when x changes, then we will be able to really start saving for retirement". To further support my observations, a recent FP Canada survey found that over half of Canadians under 55 prioritize short-term goals like travel and dining out, over saving for retirement.[1]

What many don't realize is that delaying planning often leads to a sense of financial paralysis later on. When retirement is just a vague concept decades away, it's easy to underestimate how quickly time passes. But once you're in your 50s and retirement starts to feel more tangible, the pressure to "catch up" can become overwhelming—especially if you haven't been intentional about your finances earlier. Getting ahead of that curve now, even with small steps, can make all the difference.

Why Your 40s Are Prime Time for Wealth Planning

The salient point of this article is that financial decisions made during this stage can significantly impact your future. The truth is, your 40s are some of the most crucial years for financial planning. Here's why:

- **Time is on your side:** You still have the time to adjust and optimize spending, savings and investment goals and ultimately make any adjustments required if you are falling short.
- **Informs key decisions:** Will you make that costly home reno, or take on debt and upsize your house? Private school vs. public? Can you buy that vacation property you always dreamed about? A Wealth Plan will help you find the answers.
- **Develop an achievable plan:** A Wealth Plan helps you understand your current financial situation and set achievable savings targets.
- **Peace of mind for the future:** By planning ahead, you can reduce financial stress and enjoy greater peace of mind about your retirement years.

Another overlooked advantage of planning in your 40s is the potential to build better financial habits that compound over time. Whether it's contributing regularly to your TFSA or cutting back on lifestyle creep, these consistent behaviors help establish a foundation for long-term financial success. Even small course corrections in your 40s—like adjusting spending or automating savings—can have a huge impact by the time you retire.

What is a Wealth Plan and how will it help? A Wealth Plan is a personalized roadmap to help you reach your financial goals. Meeting with a Nexus Wealth Planner will allow them to understand your unique financial situation and conduct a comprehensive analysis. The result of our Nexus Planning Process is that it enables you to make informed decisions with confidence and achieve peace of mind about your financial future. Importantly, it provides a specific action plan for achieving your objectives.

Key points to consider when creating a Wealth Plan during middle age:

- **Retirement Planning:** When do you want to retire? Do you know how much you need to save to maintain your desired lifestyle? Have you factored in healthcare costs?
- **Estate Planning:** Do you have a will and power of attorney in place?
- **Investment Strategies:** Does your investment mix align with your risk tolerance and time horizon?
- **Risk Management:** Are you financially prepared for unexpected events (e.g. job loss)?
- **Tax Efficiency:** Are you taking advantage of tax-sheltered savings accounts like TFSAs, RRSPs, and FHSAs?
- **Debt Management:** Can you strike a balance between paying down debt (e.g. mortgages) and saving for retirement?
- **Reduced Dependence on Inheritance:** Don't rely solely on inheritance for retirement. Increased life expectancy and inflation can strain your parents' retirement savings.

It's also worth mentioning that a good Wealth Plan isn't just about retirement—it's about aligning your financial resources with the life you want to live today and tomorrow. Whether that's taking a sabbatical, starting a business, or traveling with your family, clear financial planning helps you balance enjoying the present with securing the future. The earlier you map it out, the more likely you are to live life on your terms.

Overall, it is never too early – or too late – to take control of your financial future. In fact, the bigger risk is waiting for the opportune time when your circumstances are "right" to start. That time is likely never going to come – or you simply won't realize it when it does. By working with a Nexus Wealth Planner you can create a plan that brings you financial stability, freedom, and peace of mind. Reach out to us today to find out how to get started!

1 https://financialplanningforcanadians.ca/insights-detail/4-tips-for-balancing-financial-priorities-mid-life.

A Note from Nexus

As you may have seen in recent headlines, tariff discussions and geopolitical developments have contributed to increased market volatility. These events can understandably lead to concerns, especially when headlines seem to shift by the day.

We understand that this may be concerning. Rest assured that we are following the developments and monitoring your portfolios as closely as ever. The emphasis we place on individual planning and quality stock and bond portfolios is designed to prepare for periods of market volatility. Your wealth plan is constructed with the understanding that markets occasionally undergo corrections, sometimes dramatically, and that such fluctuations can cause unease.

Although a quick resolution to the trade issues is not expected and volatility may persist in the upcoming months, we remain confident that our portfolios can navigate these challenges. Our investment approach is designed to weather these kinds of disruptions through diversified portfolios and a long-term perspective. We continue to focus on fundamentals, maintaining discipline amid the noise.

If you have any questions about how current events may affect your portfolio, or have questions about markets and your investments, you can always connect with your Nexus Wealth Manager. We are here to support you with thoughtful guidance and clear perspective.

Thank you for your continued trust in us.

NEXUS CELEBRATED

Pride Month

This Pride Month, Nexus reaffirmed our commitment to fostering an inclusive and respectful workplace for all.

We recognize that diversity strengthens our organization and drives better outcomes - for our people, our clients, and our communities. By reflecting, empowering, and uniting, we move toward a future where everyone is valued and supported.

Worth a Thousand Words...

A little humour makes the world a better place.

A regular feature in Nexus Notes is the inclusion of a topical and insightful editorial cartoon. While some may address more serious or controversial issues, we particularly delight in amusing reflections on our current society. We hope you enjoy.

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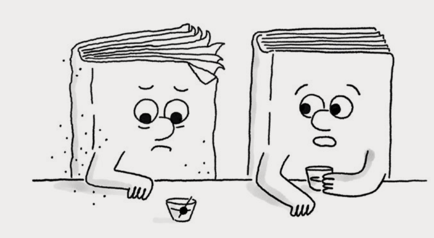
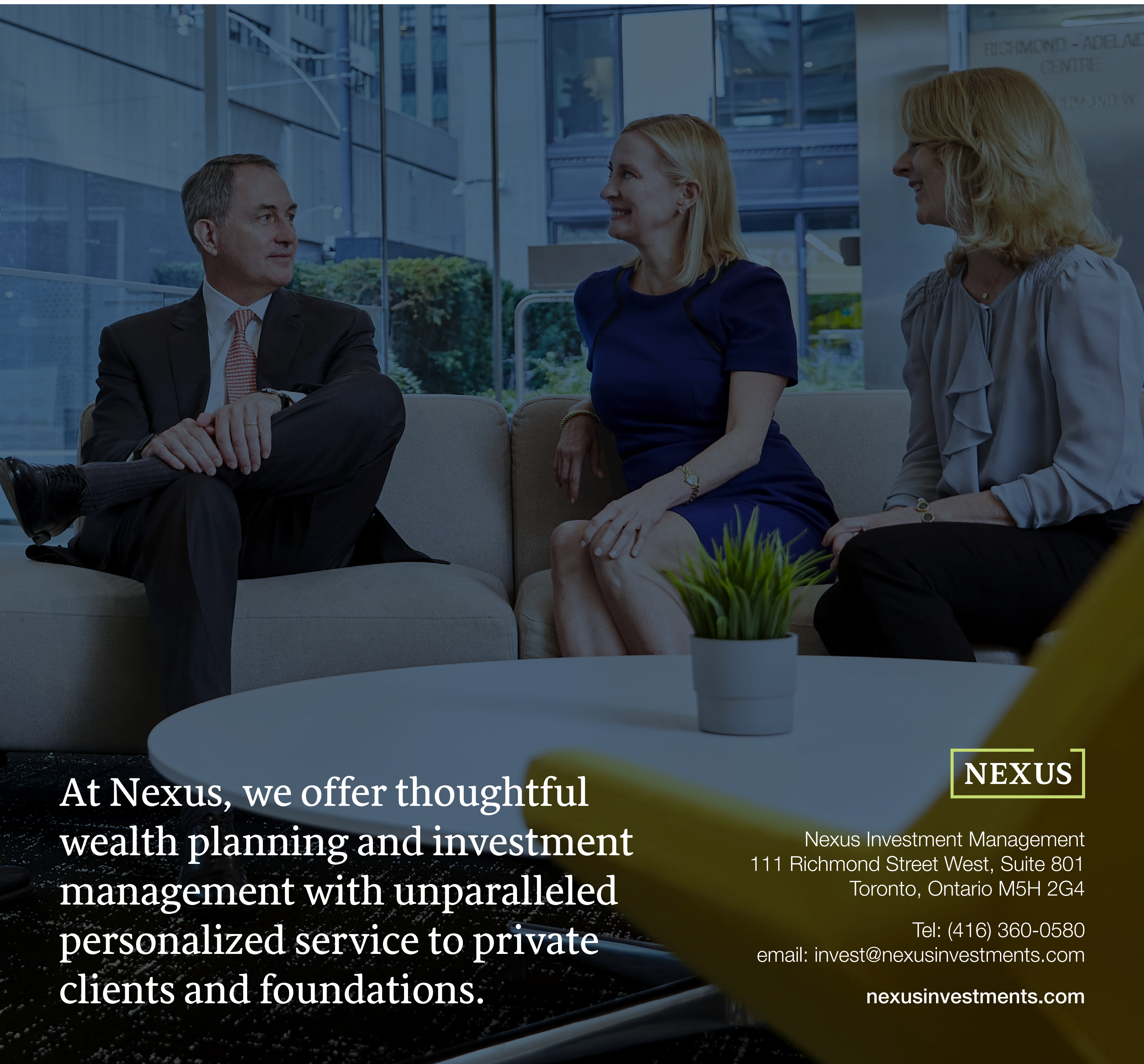
Elisabeth McNair/The New Yorker Collection/The Cartoon Bank



"How was the beach?"

Invest
Thoughtfully®



At Nexus, we offer thoughtful wealth planning and investment management with unparalleled personalized service to private clients and foundations.

NEXUS

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