

# YOU ARE INVITED!

Are you considering investing in mutual funds for your RRSP, TFSA, FHSA, RESP, Non-Registered investments, or Income plans?  
If so, you will enjoy our Lunch and Learn Seminar.

Guest Speakers from the Mutual Fund Industry will discuss the use of Mutual Funds in a portfolio, Economic and Market Conditions, and Tax and Retirement Planning, along with addressing your questions.



**Sunday, February 09, 2025**  
**11:30 AM - 2:00 PM**



**Woodbine Convention Centre**  
**30 Vice Regent Boulevard,**  
**Rexdale, ON M9W 7A4**

Limited Seating: You **MUST RSVP** to attend the seminar.

Please contact your Financial Advisor OR Head Office at 905-669-5000

RSVP at your earliest to confirm your seat.

Sponsored in part by:



**GLOBAL ASSET**  
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**SHAH FINANCIAL**  
PLANNING INC.

“Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.”

# DIRECTION

KEEPING YOU INFORMED ♦ TAX & INVESTMENTS

Shah Financial Planning Inc. • Telephone: 905-669-5000 • Jan 2025 • Issue 53

## WISHING YOU AND YOUR FAMILY HEALTH, WEALTH, AND HAPPINESS IN 2025

### MARKETS & ECONOMY - OUTLOOK

#### Reflecting on 2024: A Year of Resilience and Growth

In 2024, investors navigated a dynamic landscape marked by significant gains and emerging challenges. Let's explore the key developments that shaped the year and consider the outlook for 2025.

#### Equity Markets: Robust Performance Amidst Volatility

Global stock markets saw significant growth in 2024, supported by lower inflation and the strong performance of the U.S. economy. The S&P 500 achieved a gain of approximately 23.3%, following a 24% rise in 2023, reflecting strong corporate earnings and investor optimism. The Nasdaq also reached new heights, driven by advancements in technology and innovation.

However, the year was not without volatility. Market sensitivity to economic indicators and policy shifts led to fluctuations, particularly in response to geopolitical tensions and monetary policy decisions. Investors remained attentive to these factors, adjusting strategies to navigate the evolving environment.

#### Bond Markets: Navigating Interest Rate Dynamics

The bond market faced challenges amid fluctuating interest rates. Yields experienced volatility, with the 10-year Treasury yield moving within the 3.5% to 4% range. The Federal Reserve's monetary policy, including rate cuts, influenced bond performance, prompting investors to reassess fixed-income strategies.

#### Economic Indicators: Mixed Signals Across Regions

In North America, robust job creation and consumer spending underscored economic strength. The U.S. economy demonstrated resilience, avoiding a significant downturn and maintaining growth momentum. In contrast, Europe and China experienced slowdowns in manufacturing and services, indicating varied global demand and economic health.

#### Currency and Commodity Markets: Fluctuations Reflecting Global Dynamics

Currency markets exhibited movements influenced by economic policies and geopolitical events. The Canadian dollar showed strength against several major currencies, while oil prices experienced volatility due to factors such as regional banking concerns and geopolitical tensions.

#### Inflation and Monetary Policy: A Year of Adjustments

Inflation rates declined over the year, with U.S. inflation falling from 7.1% to 3.3%, aided by decreasing energy prices. The Federal Reserve implemented interest rate cuts, while the Bank of Canada also adjusted rates in response to cooling inflation, aiming to balance economic growth and price stability.

#### Looking Ahead to 2025: Opportunities and Considerations

As we enter 2025, the economic landscape presents both opportunities and challenges. Potential policy changes, including trade and tariff adjustments, may introduce market volatility. However, anticipated interest rate cuts could stimulate economic activity, supporting continued growth.

#### Staying the Course: The Importance of Financial Planning

In 2024, investors navigated a dynamic landscape marked by significant gains and emerging challenges. Let's explore the key developments that shaped the year and consider the outlook for 2025.

In light of these dynamics, maintaining a disciplined investment approach focused on long-term goals remains essential. Diversification continues to be a key strategy in mitigating risks and enhancing portfolio resilience. We encourage you to meet with your Shah Financial Planning Inc. (SFP) advisor to review your financial plan, especially if there have been significant changes in your personal circumstances. Regular consultations ensure that your investment strategy aligns with your goals and adapts to evolving market conditions.

Stay informed, stay focused, and here's to a prosperous 2025!

*By: Dipesh Chauhan, President of SFP.*

### IN LOVING MEMORY OF OUR FOUNDER & PRESIDENT NARENDRA SHAH



*(October 24, 1949 to September 21, 2024)*

With heartfelt respect and admiration, we honor the extraordinary life of our founder and president, Mr. Narendra Shah, who left us on September 21, 2024, due to cardiac arrest. Narendra was more than just a leader, he was a visionary who founded Shah Financial Planning Inc. in 1999 with a commitment to excellence, integrity, and innovation. Over the years, his leadership and dedication transformed the company into what it is today: A trusted and successful organization dedicated to serving clients with care and professionalism.

Narendra's influence extended far beyond his professional achievements. A passionate traveler, he explored 87 countries, enjoying the beauty and wonders of the world. He was deeply committed to giving back to the society, and in his memory, donations were given to Ekal Vidyalaya ([www.ekal.ca](http://www.ekal.ca)), a cause he held close to his heart. He was a beloved son, brother, loving husband, father, grandfather,

businessman, and philanthropist. His wife, Mrs. Hardip Dipa Shah, his children, Ekta Chauhan (husband Dipesh Chauhan) and Kshamta Shah (husband Chirag Parikh), and his cherished grandchildren, Kayla, Devin, Bella, and Caleb, continue to honor his legacy of love, strength, and vision. His spirit also lives on through his siblings and their families, who carry forward the values he lived by throughout his remarkable life.

Ekta Chauhan, who has been serving as CEO of Shah Financial Planning Inc., will continue to lead the company with the same passion and dedication instilled by her father. Narendra's younger daughter, Kshamta Shah, also carries forward his spirit of ambition and perseverance, upholding the values he held dear.

While we deeply feel his absence, we also honor his incredible life and the remarkable legacy he leaves behind. We want to assure you that there will be no changes to our business operations. Our team is committed to honoring Narendra's vision by continuing to grow, innovate, and build upon the foundation he created.

Mr. Narendra Shah's vision and leadership in building Shah Financial Planning Inc., along with the countless lives he touched, will always be remembered with heartfelt gratitude and admiration.

We sincerely thank our clients and partners for their trust and support.

### MAXIMIZE YOUR SAVINGS

#### TFSA CONTRIBUTION LIMIT SET TO \$7,000 FOR 2025

The new year brings exciting news for Canadian savers! The annual Tax-Free Savings Account (TFSA) contribution limit for 2025 remains at \$7,000. If you've never contributed to a TFSA before, the cumulative lifetime contribution limit has increased to \$102,000. This means you have more room than ever to grow your investments, completely tax-free.

#### Why Contribute to Your TFSA?

A TFSA is one of the most flexible and beneficial savings vehicles available to Canadians. Here's why:

- 1. Tax-Free Growth:** Any gains from investments, including interest, dividends, and capital gains, are completely tax-free.
- 2. No Withdrawal Penalties:** Withdraw funds at any time without paying taxes, and the amount you withdraw is added back to your contribution room in the following year.
- 3. Versatility:** Use your TFSA for a variety of financial goals, from retirement savings to an emergency fund or even a down payment on a home.
- 4. No Age Restrictions:** Unlike RRSPs, TFSAs have no mandatory withdrawal age, making them an excellent long-term savings option.
- 5. No Impact on Benefits:** TFSA withdrawals do not affect government benefits like Old Age Security or Guaranteed Income Supplement, making them ideal for retirees.

#### Start Early for Maximum Benefit

The earlier you contribute to your TFSA in 2025, the sooner you can start enjoying tax-free growth. Whether you're new to TFSAs or looking to maximize your existing account, contributing early can make a significant difference in your long-term savings.

#### How to Get Started

Ready to make your contribution? Contact your financial advisor today to ensure you're taking full advantage of your TFSA. They can guide you in:

- Determining your available contribution room.
- Selecting the right asset mix of investments to align with your financial goals.
- Setting up a strategy to maximize your TFSA over time.

Don't wait, contributing early gives your investments more time to grow. Reach out to your advisor to get started today and make 2025 a year of financial success!

*By: Dipesh Chauhan, President of SFP  
Source: various mutual fund companies*

### NEW OPPORTUNITY TO SAVE:

#### FHSA CONTRIBUTION LIMIT FOR 2025 IS \$8,000

Exciting news for prospective homebuyers! The annual contribution limit for the First Home Savings Account (FHSA) is \$8,000 for 2025. If you've been contributing since the program's launch in 2022, your total lifetime contribution room now stands at \$24,000.

However, if you haven't yet opened an FHSA, it's important to note that contribution room does not accumulate retroactively. Your contribution room only begins in the year you open the account. Don't wait, starting early can make a big difference in your savings journey toward homeownership.

#### Why Open an FHSA?

The FHSA combines the benefits of a TFSA and an RRSP, making it a powerful tool for saving toward your first home. Here are the key benefits:

- 1. Tax-Free Growth:** Just like a TFSA, all investment growth within the FHSA is completely tax-free.
- 2. Tax-Deductible Contributions:** Similar to an RRSP, contributions are tax-deductible, reducing your taxable income for the year.
- 3. No Repayment Requirement:** Unlike the RRSP Home Buyers' Plan, withdrawals from an FHSA for a qualifying home purchase do not need to be repaid.
- 4. Flexibility:** Funds can remain in the account for up to 15 years, giving you plenty of time to save. If you decide not to buy a home, the funds can be transferred tax-free into your RRSP or RRIF.
- 5. Maximize Savings:** By combining the FHSA with other accounts counts like a TFSA or RRSP, you can build an even stronger foundation for your financial future.

#### How to Get Started

If you're considering purchasing your first home, opening an FHSA is a smart step. Shah Financial Planning Inc.'s financial advisors are here to help you:

- Open your FHSA and start building your contribution room.
- Determine the best investment strategy to align with your goals.
- Maximize the tax benefits and savings potential of this account.

#### What if you don't buy a home?

Your FHSA can remain open for up to 15 years or until the end of the year when you turn 71 years old, whichever comes first. Any funds left in the FHSA that are not used to buy a qualifying home before closing the FHSA can be transferred on a tax-free basis to an RRSP (without impacting your RRSP room) or RRIF, or withdrawn on a taxable basis and will be included in income.

This means that for qualifying first-time homebuyers, contributing to an FHSA makes sense. If you don't end up buying a home, then you get another \$40,000 (plus growth) of RRSP room. All renters who

qualify should consider contributing \$8,000 to an FHSA rather than to their RRSP even if they don't plan to ever to buy a home because they essentially get additional RRSP room.

### Don't Miss Out on This Opportunity

The earlier you open and contribute to your FHSA, the sooner you can take advantage of its powerful benefits. Whether you've been contributing since the beginning or are just getting started, SFP is here to guide you every step of the way.

Contact a Shah Financial Planning Inc. financial advisor today to learn more about the FHSA and how to make the most of this exciting savings opportunity!

*By: Ekta Chauhan, CEO of SFP*

*Source: various mutual fund companies*

### - IMPORTANT -

Do You Want to Receive Monthly Tips on Tax & Investments?



Are There any Material Changes in Your Current KYC?



Do You Want 24/7 Online Account Access?



Do You Want Your Financial Advisor to Schedule a Time to Review Your Portfolio?



**If your answer is YES to any, please contact us.**

### WE ALL HAVE FLAWS

A water bearer in India had two large pots, each hung on the ends of a pole which he carried across his neck. One of the pots had a crack in it, while the other pot was perfect and always delivered a full portion of water.

At the end of the long walk from the stream to the master's house, the cracked pot arrived only half-full. This went on every day for two years, with the bearer delivering only one and a half pots of water to his master's house.

The perfect pot was proud of its accomplishments, but the cracked pot was ashamed of its own imperfection and miserable that it could only do half of what it had been made to do. After two years of what it perceived to be bitter failure, it spoke to the water bearer one day by the stream.

"I am ashamed of myself, and I want to apologize to you."

"Why?" asked the bearer. "What are you ashamed of?"

"I have been able to deliver only half my load because this crack in my side causes water to leak out all the way back to your master's house. Because of my flaws, you don't get full value for your efforts," the pot said.

The water bearer smiled and said, "Did you notice that there are flowers only on your side of the path, but not on the other pot's side? That's because I have always known about your flaw, and I took advantage of it. I planted flower seeds on your side of the path, and every day while we walk back, you water them. For two years, I have been able to pick these beautiful flowers to decorate my master's table. Without you being just the way you are, he would not have this beauty to grace his house."

Moral: We all have flaws, but it's those flaws that make us unique and create unexpected beauty in the world.

*Source: Unknown*

### WELCOME ABOARD!

The following professional has joined our team at Shah Financial Planning Inc., as a Financial Advisor.



Meet **Kayla Chauhan** from London, Ontario. She is currently pursuing an Honours Business Administration degree at Ivey Business School, following her completion of a Bachelor of Management & Organizational Studies at Western University. Dedicated to building strong client relationships and providing exceptional service, Kayla has gained valuable experience in the industry since 2021. Her background includes internships at Fidelity Investments and CI Financial, where she developed valuable insights and skills.

- ❑ **High Yield Savings Account (Non Reg) @ 4.80%**
- ❑ **Tax-free Savings Account (TFSA) @ 4.80%**
- ❑ **RRSP Loan @ 5.95% (Prime + 0.50%)**
- ❑ **TFSA Loan @ 6.20% (Prime + 0.75%)**
- ❑ **Investment Loan @ 6.20% (Prime + 0.75%)**

*The lender's Prime Rate is 5.45% and subject to change.*

### LEADERSHIP ANNOUNCEMENT

We are delighted to announce that Dipesh Chauhan has been promoted to President of Shah Financial Planning Inc., following his role as Vice President. This leadership change marks an exciting new chapter for our firm as we continue to grow and build on the strong foundation established by our founder, Mr. Narendra Shah.



Since joining SFP, Dipesh has demonstrated outstanding dedication to the company's mission of providing exceptional financial solutions with integrity and innovation.

As President, Dipesh is committed to continuing the legacy of excellence and guiding SFP into its next era of success. Under his leadership, we will maintain our client focused approach, explore new opportunities, and enhance our service offerings to better meet your financial needs.

This leadership transition will not affect our operations or the quality of service you have come to expect. Instead, it reflects our commitment to strengthening and improving SFP for the future.

We are excited to embark on this new chapter and are confident that Dipesh's leadership will ensure continued success for our clients and partners alike. Thank you for your trust and support as we take this next step forward together.

### A VALUE ADDED SERVICE FOR YOU VIEFUND - BACK OFFICE SYSTEM

Take advantage of our advanced back-office system, offering valuable insights into your accounts.

Visit <http://myportfolio.shahfinancial.ca> to request your logon ID for convenient 24/7 online access. Consider signing up for online statements to support our green initiatives. Alternatively, feel free to reach out to your Financial Advisor for assistance.



# SHAH FINANCIAL — PLANNING INC. —

## : HEAD OFFICE :

Ekta Chauhan, CEO & Chief Compliance Officer, Ext. 106  
Dipesh Chauhan, President, Ext. 103  
Hardip (Dipa) Shah, General Manager, Ext. 105  
Vanessa Alibaksh, Branch Manager, Ext. 102  
Office Admin, Ext. 0

10 Great Gulf Drive, Suite 208  
Vaughan, Ontario L4K 0K7

Phone: 905-669-5000 ■ Fax: 905-669-6900

[www.ShahFinancial.ca](http://www.ShahFinancial.ca) ■ [sfp@ShahFinancial.ca](mailto:sfp@ShahFinancial.ca)

## : Head Office Hours :

Mon - Fri ☞ 9:00 a.m. To 5:00 p.m.

Thu by Appt ☞ 5:00 p.m. To 6:00 p.m.

Mid February To April → Saturdays by appointment ☞ 11:00 a.m. To 4:00 p.m.

## : Our Services :

Shah Financial Planning Inc. ("SFP") is a registered mutual fund dealership founded by Mr. & Mrs. Narendra and Hardip (Dipa) Shah in 1999. Since then SFP has continuously grown with great support and cooperation by clientele, financial advisors, and the Canadian Investment Regulatory Organization ("CIRO").

Our financial advisors offer financial related services to individuals and businesses at the listed branches and Head Office. Our services are primarily focused on clients' objectives and their best interest, with the following plans and products.

### : Account Types/Plans :

High Interest Savings Account  
Non-Registered/Open Account  
RESP • TFSA • RRSP • FHSA  
LIRA • RDSP • RRIF • LIF

### : Products :

Mutual Funds  
Specialty Mutual Funds:  
Liquid Alternatives, ESG, Shari'ah Compliant, Regional, & Sector, etc.  
High Interest Savings Account  
Exchange Traded Funds (ETFs)  
Loans for Registered and Non-Registered Investments

### : Value Added Services :

24/7 Account Access  
Investment Portfolio Review and Financial Advice  
Monthly Email Tips on Tax & Investments  
Semi-annual Newsletters "Direction"  
Educational Lunch/Dinner Seminars  
Small Group Seminars  
Complimentary Consultation and  
Second Opinion on Investments at Other Institutions

## *No Inner Peace Without Financial Security*

**Disclosure:** Our financial advisors and employees may have outside business activities (Dual Occupations) and may offer other products and services that are not the businesses and responsibilities of Shah Financial Planning Inc.

**Disclaimer:** Commissions, trailing, management fees and expenses all may be associated with mutual fund investments. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The information in this newsletter is derived from various reliable sources, however, it is not warranted or guaranteed either as to its accuracy or completeness. Please read the prospectus and/or fund facts/profile before investing. Copies are available from your financial advisors or at the head office.

## : BRANCHES :

### : Ajax :

Medha Pathak - 647-919-9690

### : Barrie :

Mike Puro - 705-795-5053

### : Brampton :

Amit Shah - 647-296-2609

Harkirat Khangura - 905-840-3000

Mehul Shah - 416-748-0830

Mukund Sheth - 416-839-9645

Ravinder Singh - 416-303-2828

Viral Mehta - 647-502-2170

### : Caledon :

Jaswinder Dhillon - 416-278-6869

### : Etobicoke :

Marianne Pisani - 416-568-6273

Nikhilkumar Shah - 647-868-4675

### : Kitchener :

Chetan Bhatt - 519-572-6245

Sangeet Arora - 519-546-3618

### : London :

Kayla Chauhan - 647-915-5295

### : Mississauga :

Farrah Andrabi - 905-403-9665

Kok-Tak Toh (KT) - 905-567-9946

Kwame Yeboah - 416-302-0945

Lata Pandey - 416-822-4137

Manjit Sandhu - 416-300-7393

Nainesh Shah - 416-720-9249

Nat Venkat - 647-865-7149

Raj Saraf - 416-951-8228

Vikas Saraswat - 416-839-4561

### : Newmarket :

Robert (Bob) Telford - 905-868-0863

### : North York :

Devangkumar Shah - 416-846-5837

### : Pickering :

Pramod Chopra - 416-560-6951

### : Scarborough :

Arun Kumar - 647-638-3904

### : Toronto :

Azeem Jadavji - 416-453-5992