ASSENTT WEALTH

Canadian Economic Sentiment 2025

Cautious or Confident? What's the Nation's Money Mood

July Tax & Financing Insights, One Canada Economy, Canadian Economic Sentiment Franchise Financing: Why Now Is Ideal, CANUS Business Plans & Projections, Should You Borrow to Invest?, Rate Pulse & Tax Deadlines

Assentt Wealth Newsletter Issue - XVI

July 2025

Assentt Wealth

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President's Message

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Dear Assentt Wealth family,

As we cross into the second half of 2025, one question seems to echo across kitchen tables, boardrooms, and investor meetings alike: "Should I be cautious or confident right now?"

The truth is—we're in a mixed environment. Inflation has cooled but not disappeared. Interest rates have plateaued but haven't softened. The economy is growing, yet many households and businesses still feel like they're playing catch-up. There's opportunity in the air, but it demands clarity, timing, and resilience.

At Assentt, our approach is rooted in one guiding belief: strategic confidence thrives when it's grounded in preparation. That's why this month's newsletter focuses on practical ways to read the market's mood and respond proactively—from smart borrowing decisions, best financing options and mid-year tax strategies.

We've also spotlighted areas where cautious optimism can be turned into progress—whether through franchise financing, efficient portfolio shifts, or simply staying ahead of key tax and filing dates.

This is not a time to stand still. It's a time to recalibrate and move forward with intention.

Balbir Singh Saini

Balbir Singh Saini, CPA,CGA
President, Assentt

Our Services

At Assentt, our services are designed to cater to your financial needs with excellence and precision. Whether you are looking for financing options, mortgage & leasing solutions, or tax and accounting support, we have you covered with our professional expertise.

Tax & Accounting

- ✓ Accounting & Taxation
- ✓ USA Tax & Accounting
- ✓ Govt. Audit Representation
- ✓ Audit & Review Engagements

Financing

- ✓ Asset Based Financing
- ✓ Canada Small Business Loan
- ✓ Business Purchase & Sale
- ✓ Working Capital Loan
- ✓ Business Plan & Projections
- ✓ Truck Loan

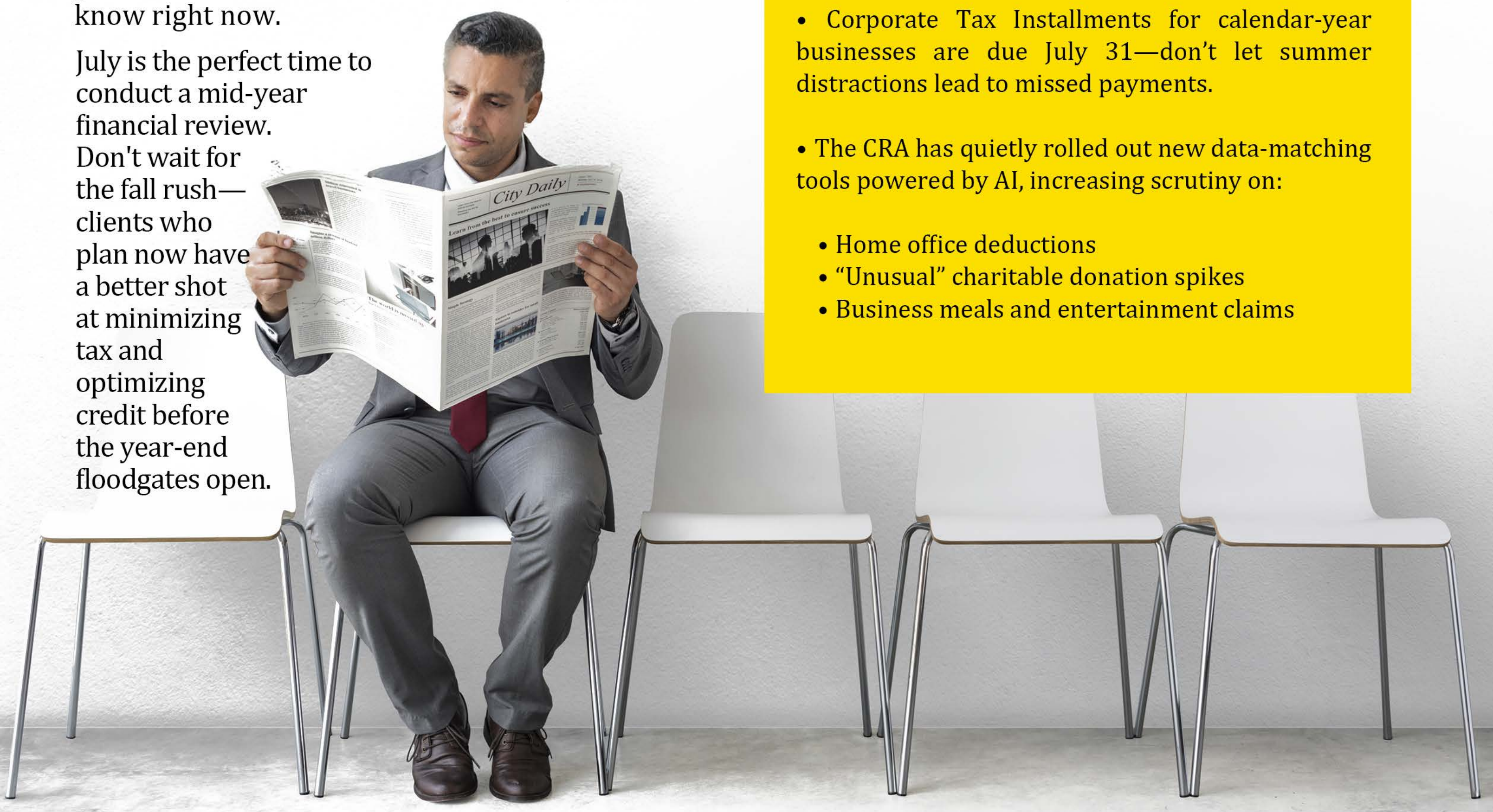
Mortage & Leasing

- ✓ Equipment Leasing
- ✓ Private Mortgage
- ✓ Commercial Mortgage
- ✓ Residential Mortgage

JULY TAX & FINANCING INSIGHTS

As we pass the midpoint of 2025, it's time to sharpen our lens on tax planning and financing strategy. The Canadian economic landscape is steady—but not stagnant—and that calls for smart, proactive moves. Here's what you need to know right now.

July is the perfect time to conduct a mid-year financial review. Don't wait for the fall rush—clients who plan now have a better shot at minimizing tax and optimizing credit before the year-end floodgates open.



Installment Reminders & CRA Compliance Moves

- Corporate Tax Installments for calendar-year businesses are due July 31—don't let summer distractions lead to missed payments.

- The CRA has quietly rolled out new data-matching tools powered by AI, increasing scrutiny on:
    - Home office deductions
    - "Unusual" charitable donation spikes
    - Business meals and entertainment claims

Leverage Timing: Capital Loss Harvesting Begins Early

Markets have had a choppy first half. That means it's a good time to:

- Review underperforming assets in taxable accounts
- Strategically trigger capital losses to offset gains from Q1
- Keep in mind: superficial loss rules still apply if you repurchase within 30 days

This mid-year window lets you rebalance without year-end deadline stress, make the best utilization of it.

Smart Borrowing: Still Viable, Selectively

Interest rates haven't dropped—but financing is still accessible for:

- Franchise acquisitions (up to 90% loan-to-value in some cases)
- Business expansion lines of credit
- Investment leverage, but only for clients with long-term risk capacity

If you're still sitting on deferred projects due to 2023 rate hikes, now is the time to re-evaluate.

One Canada Economy

Regional Growth Outlook (2025-2026)

Canada is entering a transformative phase with the 'One Canada Economy' approach—aiming to unify economic strategies, break down interprovincial barriers, and create stronger infrastructure, mobility, housing, and innovation frameworks.

This coordinated effort, championed at both federal and provincial levels, is not just about economic alignment—it's about building an inclusive, agile, and future-ready Canada. Below is a snapshot of how this vision is expected to impact different regions of the country through 2025 and 2026.

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Area	Potential GDP Uplift	Key Provinces	Beneficiary Cities
Interprovincial Trade Reform	+$100B/year	**All provinces (esp. Alberta, Ontario, Quebec, B.C., Saskatchewan)**	**Calgary, Edmonton, Toronto, Montreal, Vancouver, Regina, Saskatoon**
Infrastructure Connectivity	**+$50B/year in long-term productivity**	**Ontario, Quebec, B.C., Alberta, Manitoba, Nova Scotia, New Brunswick**	**Toronto, Montreal, Vancouver, Calgary, Winnipeg, Halifax, St. John's**
Labour Mobility & Immigration Efficiency	**+$20B–$30B/year**	**Alberta, Saskatchewan, Manitoba, Nova Scotia, Newfoundland**	**Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Halifax, St. John's**
Housing & Urban Development	**+2% employment in construction, RE, services**	**Ontario, B.C., Quebec, Alberta**	**Toronto, Ottawa, Vancouver, Victoria, Montreal, Calgary**
Digital Innovation & IP Commercialization	**+$40B/year by 2035**	**Ontario, Quebec, B.C., Alberta**	**Toronto, Montreal, Vancouver, Calgary, Waterloo**
Green Economy Transition	**National boost to clean energy, EVs, hydrogen**	**Alberta, Quebec, Ontario, B.C., Atlantic Canada**	**Edmonton, Calgary, Montreal, Windsor, Halifax**

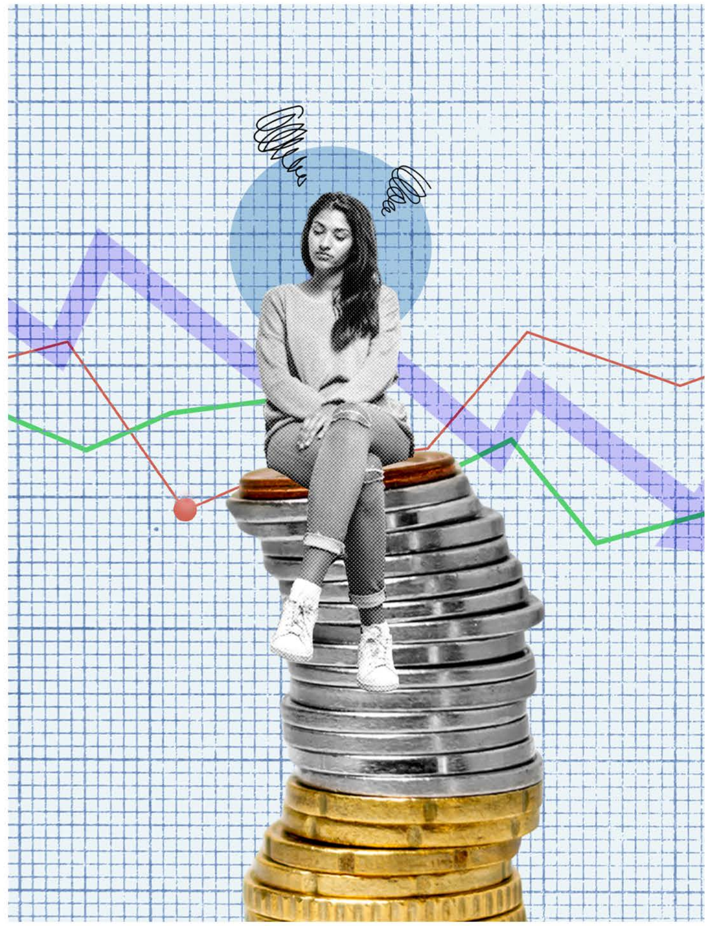
The One Canada Economy strategy offers a national opportunity for inclusive, innovation-driven growth. From digitization in Ontario to hydrogen investments in Alberta and housing reforms in B.C., the impact will be widespread—with smart coordination being the key to unlocking its full potential.

At Assentt, we're staying ahead of these developments to help you navigate the evolving landscape—not just reactively, but strategically.

Canadian Economic Sentiment

July 2025 Sentiment: Guarded Optimism with Selective Caution

The Canadian economy is showing modest resilience mid-year, but confidence remains tempered due to persistent headwinds—both domestic and global. Businesses and households are treading carefully, adapting to structural changes and policy shifts.



Confidence Index: Holding, Not Surging

Consumer confidence remains steady but subdued. Canadians are spending more deliberately, focusing on essentials and delaying major discretionary purchases.

Business sentiment is split: large corporations are signaling guarded optimism, while small and medium enterprises (SMEs) are more concerned about margin pressure, rising insurance costs, and regulatory shifts.

Interest Rate Expectations Driving Mindset

With the Bank of Canada maintaining the policy rate at 4.95%, market participants anticipate a potential rate cut by Q4—but no one is betting aggressively. This "wait-and-watch" posture is fueling moderate borrowing and selective investment, especially in the real estate and franchise sectors.

Economic Activity Snapshot

• Jobs market is stable, but wage growth has plateaued.
• Real estate is showing signs of cautious recovery-buyers are back but wary.
• Consumer credit growth has slowed, a reflection of conservative household budgeting.
• Exporters are feeling a pinch from the slowdown in U.S. demand and rising protectionist sentiment globally.

Underlying Sentiment Themes

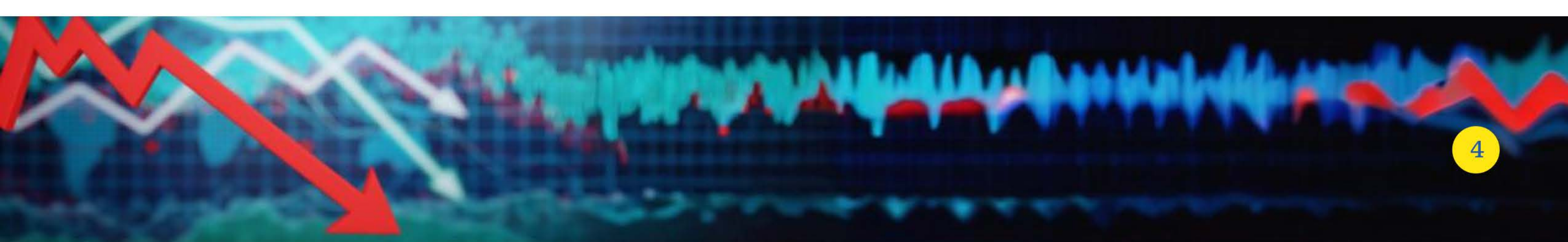
• Risk-aware optimism: Canadians want to grow, but only with guardrails.
• Reallocation, not retreat: Investors and entrepreneurs are shifting strategy, not pulling back entirely.
• Government tone: Federal and provincial signals suggest continued fiscal restraint with targeted incentives, especially for clean tech, housing, and small business digitization.

Global Headwinds Impacting Canada

• U.S. slowdown is reducing export growth potential.
• Ongoing tariff disputes (especially U.S.–Canada steel and aluminum) are affecting manufacturers and importers.
• Geopolitical uncertainty (e.g., South China Sea, Eurozone fiscal debates) continues to add volatility to global markets and commodity prices—especially energy.

What this means

For financial advisors, lenders, and service providers, the sentiment landscape highlights a powerful opportunity: clients are looking for confidence, clarity, and the conservative growth strategies. Helping them stay the course—while adapting to change—is where businesses can add the most value right now.



Franchise Financing: Why Now Is Ideal

Fueling Business Growth and Expansion in the Canadian Market

In a year defined by economic recalibration, franchising has emerged as one of the most resilient and attractive business models in Canada. As consumer habits shift toward convenience, consistency, and community-rooted services, franchise opportunities—particularly in food, logistics, retail, and wellness—are showing robust growth.

Why 2025 Is a Smart Entry Point

• Financing Access Is Easing: While interest rates remain elevated, lenders are showing renewed appetite for franchise lending, especially for established brands and essential service sectors. Many programs are offering up to 90% loan-to-value financing.

• Stabilizing Costs: Supply chain pressures have cooled compared to 2023, bringing startup costs into a more predictable range. This reduces uncertainty in your capital planning.

• Labour Market Advantage: With Canada's employment market cooling slightly, there's now better access to skilled staff—critical for first-time franchisees in service-based industries.

• Support Infrastructure: Franchise networks are offering stronger onboarding, digital marketing, and CRM systems, reducing the operational learning curve.

Franchising & Financing with Assentt

Embark on an insightful journey into Franchise Financing with us, where you will uncover the essential elements of funding your franchise venture. Explore the various financing options available to support your entrepreneurial dream and learn key strategies to secure the necessary capital for your franchising success. Join us as we navigate through the nuances of franchise financing, empowering you to make informed decisions and set a solid foundation for your business growth.

How Assentt can help you:

Businesses usually make avaoidable mistakes when opting for Franchise Business model and that's where Assentt can be your partner and make the difference.

- ☑ Due Diligence
- ☑ Business Plan
- ☑ Opening Balance Sheet
- ☑ Post-closing Support

Business Plans
Financial Projections

CANU$ BUSINESS PLANS
POWERED BY ASSENTT

CSBFP READY | CPA PREPARED | 100% APPROVED

A well-prepared business plan is the cornerstone of your loan application. Present your franchise opportunity confidently to the bank with our professionally crafted business plans and financial projections. Approval rates are significantly higher when supported by industry-aligned documentation.

USE CODE
MTY15
FOR 15% DISCOUNT

Our Proven 7-Step Process

1. Client Consultation
2. Bank Strategy Session
3. Market & Industry Research
4. Draft Business Plan Creation
5. Visual & Design Enhancements
6. Internal Review
7. Final Plan Delivery

Eligible Assets

- Leasehold Improvements
- Business Equipment
- Franchisee Fees
- Inventory
- Goodwill
- Lease Deposit
- Start-up Cost

Terms

- Open Loan
- Max. Loan without Property - $500,000
- Max. Loan with Property - $1 Million
- Term up to 10 Years; Real Estate up to 15 Years
- Interest Rate - Prime + 3%
- Down Payment - 10-35%
- Credit Score - More than 680 Preferred

Industries We Serve

- Quick Service Restaurants
- Franchise Businesses
- Café & Coffee Shops
- Fast Food Restaurants

What You Get

- 15-20 Page Business Plan
- As per Bank Loan Program
- Graphics & Images
- Professionally Written & Presented
- Industry Benchmark
- Highest Approval Rating

Pick Your Service

- Business Plans & Projections
- Business Loan Proposal
- Bank Representation
- Business Finance Consultation

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Should you Borrow to Invest?

The case for Leverage in a Stabilizing Canadian Economy

As interest rates plateau and market volatility softens, more Canadians are asking: Should I consider borrowing to invest?

The concept—known as leverage—isn't new. But in 2025, it's gaining renewed attention from individuals who want to accelerate wealth building, especially in long-term portfolios. Still, it's a decision that demands a sober look at risk, timelines, and cash flow.

Leverage can multiply your gains—or magnify your mistakes. The difference lies in the plan behind the risk."

The Potential Upside

Borrowing to invest can be highly effective when:

- The expected investment return exceeds the cost of borrowing
- You have consistent cash flow to cover loan payments, regardless of market swings
- You're investing for the long term (5+ years), where short-term volatility is less impactful
- Example: A $50,000 line of credit at 6.5%, invested into a diversified equity portfolio with an 8.2% historical return, could yield meaningful growth—after interest, if markets perform.

The Risks are Real

Borrowing to invest can be highly risky when:

- Interest costs are non-deductible for registered investments like RRSPs and TFSAs
- If markets fall, you're left with debt and losses
- Margin calls can occur if asset values drop significantly (in brokerage-linked loans)
- Psychological pressure—many investors sell too early when debt is involved

When it might Make Sense

- You're a high-income earner with limited RRSP room
- You've maxed out TFSA and RRSP but still want to invest tax-efficiently
- You have a stable, predictable income and high risk tolerance
- You're investing in non-registered accounts, where interest may be tax-deductible

When Should You Avoid it?

- Your income is variable or unstable
- You are planning for short-term goals eg. home down payment, tuition
- You don't have a cushion for interest costs or market losses
- You are not confident in your ability to emotionally weather volatility

In Conclusion, Borrowing to invest is not for everyone—but for the right profile, it can be a smart acceleration tool.

We recommend a comprehensive risk assessment and cash flow review before any leverage strategy is implemented.

Let's help you answer the question not just in theory—but for your specific situation.

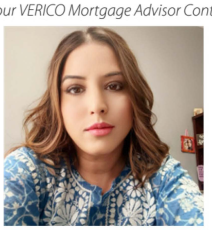
IT MAKES SENSE TO USE AN EXPERT.

We are part of **Canada's #1 Mortgage Broker Network** and we are the experts who can help you. Each VERICO Mortgage Advisor is a member of the Canadian Association of Accredited Mortgage Professionals and adhere to a strict Code of Ethics and professional conduct guide. Many have earned the Accredited Mortgage Professional designation.

Mortgage Advisors are trusted intermediaries for over forty of Canada's best mortgage lending financial institutions. Our professional services are paid for by our lenders and not our customers.

Contact me today to find out how we can help you achieve your financial goals.

Your VERICO Mortgage Advisor Contact Information



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It PAYS to shop around.

Many Canadian homeowners pay too much for their homes because they are not getting the best mortgage financing available in the market. Shopping for the best mortgage not only takes time and effort, but also requires specialized expertize to compare competing bank offers and terms.

The mortgage process can be intimidating for homeowners, and some find financial institutions don't make the process any easier.

But we are here to help!

Mortgage Advisors are independent, unbiased experts and we can help Canadians across the country move into a home they love.

We have access to mortgage products from over forty lenders at our fingertips and we work with you to determine the best product that will fit your immediate financial needs and future goals.

VERICO mortgage specialists are Canada's Trusted Experts who will be with you through the life of your mortgage.

We save you money by sourcing the best products at the best rates - not only on your first mortgage but through every subsequent renewal.

So whether you're buying a home, renewing your mortgage, refinancing, renovating, investing, or consolidating your debts - a Mortgage Advisor is the expert that can help you get the right financing, from the right lender, at the right time.

As a Mortgage Advisor, I have the EXPERTISE, EXPERIENCE and a PLAN to help.

Rate Pulse

BANK PRIME RATE – 4.95%

Prime Mortgage (Insured)
- Variable Rate - 4.25%
- Fixed Rate - 4.19%

Prime Mortgage (Conventional)
- Variable Rate - 4.55%
- Fixed Rate - 4.49%

Alternative Mortgage
- 1 year - 6.00-6.50%
- 2 Year - 5.50-6.25%

Private Mortgage
- First Mortgage - 8%
- Second Mortgage - 12%

Commercial Mortgage
- Prime - 5%
- Alternative - 9%

Business Loan

Business Purchase
(Variable Open Loan)
7.45%

** Rates are general in nature and subject to change. You can book an appointment with our office to review your file.*

Canada Tax Deadlines

July 15 - Payroll Remitance
July 31 - GST/HST Return Quarterly
July 31 - WSIB Return
July 31 - GST/HST Inst. Payment

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