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FINANCIAL OUTLOOK

SPRING 2026

GET THESE DECISIONS RIGHT

The sheer number of decisions required to manage our finances can seem overwhelming. There are six basic financial decisions that can determine the course of your financial life:

1. HOW YOU EARN A LIVING. Sure, we all want to enjoy our work. But within that parameter, why not choose a job that will pay more than another? Your income is going to drive all your other financial decisions, so investigate your options:

- Are you sure you're being paid a competitive wage with competitive benefits? Pay attention to

what is going on in your field.

- Do you have an outside interest or hobby that can be turned into a paying job?
- Can you get some additional training to help secure a promotion or qualify for another job?

2. HOW YOU SPEND YOUR INCOME.

The amount of money left over for saving is a direct result of your lifestyle choices, so learn to live within your means. To get a grip on spending, consider these tips:

- Analyze your spending for a month. In which categories do

you spend more than you expected? Are you wasting money on impulse purchases?

- One of your most significant spending decisions will be your home. Purchasing a smaller home may reduce your mortgage payment as well as other costs associated with owning a home.
- Prepare a budget to guide your spending. A budget gives you a roadmap for spending your income.

3. HOW MUCH YOU SAVE. You should be saving a minimum of 10% of your gross income. But don't just rely on that rule of thumb. Calculate how much you need to meet your financial goals and how much you should be saving on an annual basis. If you can't seem to save that much, go back to your spending analysis and make cuts to your spending. First, look for ways to reduce your spending by lowering the cost of your purchases. Perhaps you can refinance your mortgage, find insurance for a lower premium, or use strategies to reduce taxes. At some point, however, you may need to cut your discretionary spending, such as entertainment, dining out, clothing, and travel.

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A BALANCE BETWEEN RISK AND RETURN

One of the most basic investment principles is that returns reward you for the risks you take. While investors are often uncomfortable with the concept of risk, it is this uncertainty that makes higher rates of return possible. Some basic investment principles related to risk and return include:

- Returns on specific investments are not known in advance. Investors can review historical rates of return, but there is no guarantee that past returns will be indicative of future returns.

- There is usually the possibility that an investment will not meet your expectations.
- The uncertainty regarding your actual return creates risk. Greater uncertainties typically lead to greater risk.
- Investments are subject to many different types of risk. Cash is primarily subject to purchasing power risk, or the risk that its purchasing power will decrease due to inflation. In addition to purchasing power risk, bonds are

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GET THESE DECISIONS

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4. HOW YOU INVEST. The ultimate size of your portfolio is a function of two factors — how much you save and how much you earn on those savings. Even small differences in return can significantly impact your investment portfolio. Typically, investments with potentially higher rates of return have more volatility than investments with lower rates of return. While you don't want to take on excessive risk, you also don't want to leave all your savings in investments with little growth potential. Your portfolio should contain a diversified mix of investment categories based on your return expectations, risk tolerance, and time horizon for investing.

5. HOW YOU MANAGE DEBT. Before you take on debt, consider the effect it will have on your long-term goals. To keep your debt in check, consider these tips:

- Mortgage debt is acceptable as long as you can easily afford the home.
- Be careful about taking equity out of your home in the form of a home equity loan. You might want to set up a home equity line of credit for emergency use, but then make sure it is only used for emergencies. It may also make sense to use a home equity loan to pay off higher interest rate consumer loans, but then don't run those balances up again.
- Never purchase items on credit that decrease in value. If you can't pay cash, don't buy them.
- If you must incur debt, borrow wisely. Make as large a down payment as you can. Consider a shorter loan period, even though your payment will be higher. Since interest rates can vary widely, compare loan terms with several lenders. Review all your debt periodically to see if less expensive options are available.

6. HOW YOU PREPARE FOR FINANCIAL EMERGENCIES. Making arrangements to handle financial emergen-

6 SIGNS YOU NEED A FINANCIAL PLAN

A financial plan helps you prepare for the future, brace for the unexpected, and position yourself to pursue goals. Below are six signs it may be time to get a financial plan.

YOU'RE PLANNING (OR JUST HAD) A BIG LIFE CHANGE. New job. New baby. New house. All of those milestones and more are signs that you should be taking a big-picture look at your finances. Take this opportunity to put your financial house in order.

YOU'RE WORRIED ABOUT YOUR FINANCES — AND YOUR FUTURE. Whether you have immediate worries or are just feeling uneasy about what tomorrow may hold, you can regain control over your life by having a clear direction. Your comprehensive financial plan will not only help you see where you stand today, but also help you plot a path to where you want to be. Often, goals that seem distant and unachievable become more realistic once you can see the intermediate steps you need to take to get there.

YOU'RE MAKING GOOD MONEY, BUT YOU'RE NOT SURE WHERE IT GOES. If you want to turn today's income into tomorrow's wealth, you need a financial plan. Planning helps you assess what you're spending today and then shows you how you can save and invest to create lasting wealth.

YOU HAVE FINANCIAL GOALS, BUT YOU'RE NOT SURE HOW TO

MAKE THEM A REALITY. Does retirement seem like a distant dream? Do you wish you could upgrade to a bigger home, send your kids to college without debt, or start a business? With a financial plan, you'll know what you need to do financially to make those dreams a reality.

YOU AND YOUR PARTNER ARE FIGHTING ABOUT MONEY. A financial plan might be part of the solution. Meeting with an objective third party, like a financial planner, can help you both understand where you stand when it comes to your finances, and then negotiate a path forward that works for both of you.

YOUR INVESTMENTS AND FINANCES ARE GETTING SO COMPLICATED, IT'S DIFFICULT FOR YOU TO KEEP TRACK OF EVERYTHING. Many people start out managing their finances on their own. As your money and life get more complex, it can be difficult to manage all the details without help. Unless you're a trained professional, there's a good chance you're missing out on opportunities or putting yourself at risk. A financial plan, developed with the assistance of your financial advisor, will help you identify the best ways to save, find ways to reduce taxes, and protect yourself against risk. With the help of your advisor, you'll be able to understand your total financial picture and take the steps necessary to achieve your goals. ○○○

cies will help prevent them from adversely affecting your financial goals. Make sure to have:

- An emergency fund covering several months of living expenses. Besides cash, that fund can include readily-accessible investments or a line of credit.
- Insurance to cover catastrophes. At a minimum, review your coverage for life, medical, home-

owners, auto, disability, and personal liability.

- A power of attorney so someone can step in and take over your finances if you become incapacitated.

Making the correct choices for these six basic financial decisions will help put you on the right financial course. If you'd like help with these decisions, please call. ○○○

A BALANCE

CONTINUED FROM PAGE 1

subject to interest rate risk, or the risk that interest rates will increase and cause the bond's value to decrease, and default risk, or the risk that the issuer will not repay the principal or interest on the bonds. Stocks are primarily subject to nonmarket risk, or the risk that events specific to a company or its industry will adversely affect a stock's price, and market risk, or the risk that a particular stock will be affected by overall stock market movements.

- There is generally a tradeoff between risk and return. Low levels of risk are the most desirable and typically have lower return potential, while higher levels of risk are typically undesirable and must offer higher return potential to encourage investors to invest.

There are strategies that can be used to reduce the total risk in your investment portfolio:

- **DIVERSIFY YOUR PORTFOLIO.** You should diversify among several different investment categories, including cash, bonds, and stocks, as well as within investment categories, such as owning several types of stocks. A properly diversified portfolio should contain a mix of asset types whose values have historically moved in different directions or in the same direction with different magnitudes. By owning several investments rather than just one, a downturn in any one should not have a significant impact on your total return. Of course, the opposite is also true — if you have one investment with exceptional returns, your total return will be lower than if that were your only investment.
- **STAY IN THE MARKET THROUGH DIFFERENT MARKET CYCLES.** Remaining in the market over the long term helps reduce the risk of receiving a lower return than expected, especially for more volatile in-

A BUDGET FOR COLLEGE STUDENTS

Many students will first handle money without parental supervision during college. You might want to develop a budget to guide your child's spending. As you go through the process, consider the following:

- First consider all potential expenses, including food, travel, clothing, entertainment, phone, subscriptions, computer expenses, medical and dental expenses, and insurance.
- Develop a preliminary budget for the first couple months of college. You may find that you forgot about certain items. After your child has lived on his/her own for a couple months, you can develop a more realistic budget.
- If your child has trouble sticking with the budget or can't account for large sums, have him/her keep a list for a couple of weeks that details all expenditures.
- Consider providing your child with a debit card rather than a

credit card. Since your child's spending will be limited to the amount on deposit, it is harder to overspend.

- Explain the basics of credit cards. Make sure your child doesn't use a credit card as a means to overspend. Go over which types of items your child can use the credit card for and which items should not be charged. Make sure your child understands that if the balance isn't paid in full each month, a significant amount of interest will be paid on the outstanding balance. If you teach your child nothing else, try to instill the concept of paying credit card balances in full every month.
- Have your child provide you with a written monthly comparison of his/her actual expenses to budgeted amounts.

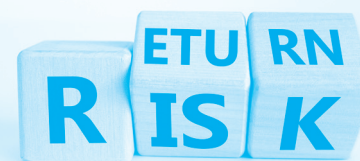
While the entire process might seem like a lot of work, keep in mind that you are teaching your child money basics that will help him/her for a lifetime. ○○○

vestments, such as stocks.

- **USE DOLLAR COST AVERAGING TO INVEST.** Rather than accumulating cash so you have a large sum to invest, invest small amounts regularly. Dollar cost averaging involves investing a certain sum of money in set amounts at regular intervals. This spreads your purchases over a period of time, preventing you from making one major purchase at high prices. Since you are investing a set amount, you purchase more shares when prices are lower and fewer shares when prices are higher. While a valuable investment strategy, dollar cost averaging does not ensure a profit or protect against losses in declining markets. Before starting a program, consider your ability to con-

tinue purchases during periods of low price levels. This strategy requires the discipline to invest consistently, regardless of market prices, and can help develop a habit of regular investing.

If you'd like to discuss how to balance risk and return in your portfolio, please call. ○○○



FINANCIAL DATA

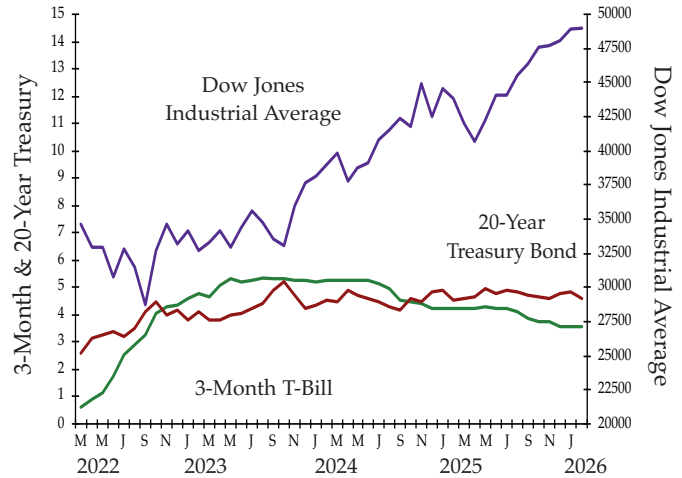
Indicator	Month-end				
	Dec-25	Jan-26	Feb-26	Dec-25	Feb-25
Prime rate	6.75	6.75	6.75	6.75	7.50
Money market rate	0.41	0.41	0.41	0.41	0.41
3-month T-bill yield	3.57	3.58	3.59	3.57	4.20
10-year T-bond yield	4.18	4.26	3.97	4.18	4.24
20-year T-bond yield	4.79	4.82	4.57	4.79	4.55
Dow Jones Corp.	5.00	5.06	5.03	5.00	5.24
30-year fixed mortgage	6.27	6.23	6.12	6.27	7.05
GDP (adj. annual rate)#	+3.80	+4.40	+1.40	+1.40	+3.40

Indicator	Month-end			% Change	
	Dec-25	Jan-26	Feb-26	YTD	12-Mon.
Dow Jones Industrials	48063.29	48892.47	48977.92	1.9%	11.7%
Standard & Poor's 500	6845.50	6939.03	6878.88	0.5%	15.5%
Nasdaq Composite	23241.99	23461.82	22668.21	-2.5%	20.3%
Gold	4344.00	5033.00	5232.00	20.4%	84.6%
Consumer price index@	324.12	324.05	325.25	0.3%	2.4%
Unemployment rate@	4.50	4.40	4.30	-6.5%	7.5%

— 2nd, 3rd, 4th quarter @ — Nov, Dec, Jan Sources: Barron's, Wall Street Journal

4-YEAR SUMMARY OF DOW JONES INDUSTRIAL AVERAGE, 3-MONTH T-BILL & 20-YEAR TREASURY BOND YIELD

MARCH 2022 TO FEBRUARY 2026



Past performance is not a guarantee of future results.

NEWS AND ANNOUNCEMENTS

WATCHING YOUR STOCKS

No matter how often you prefer to monitor your portfolio's performance, there are certain items you should consider. Here are five things to review:

- **EARNINGS** — Pay attention to the company's quarterly and annual earnings statements, which include comparisons with the recent past and often reviews of what management expects for the next quarter and year. Watch out for earnings surprises.
- **PRICE AND DIVIDENDS** — Follow the stock's price compared to its 52-week highs and lows. Examine its trailing total returns year to date and over the last one-, three-, five-, and 10-year periods. Look for changes in the absolute dollar amount of dividends and the current yield (the annual dividend divided by the current price).
- **P/E AND PEG RATIOS** — Price to earnings (P/E) and price/earnings growth (PEG) ratios are often better indicators than the stock price as to how relatively expen-

sive or cheap a stock is. The P/E ratio is useful for comparing the stock to other stocks and to the market in general, while the PEG ratio is a strong indicator of whether the stock is overpriced or underpriced compared to its projected earnings growth rate over the next five years.

- **INSIDER TRANSACTIONS AND STOCK BUYBACKS** — A company buying back its own stock or whose senior executives and directors are accumulating more shares is a bullish sign. On the other hand, when insiders are selling off major holdings of their own stock, it's quite often an indication that the stock price has peaked.
- **SUDDEN AND LARGE PRICE CHANGES ON HIGH VOLUME** — When a stock makes a sudden, high-volume move, particularly when it opens much higher or lower than the previous day's high or low, it can be the start of a new, long-term trend. ○○○

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