MAY/JUNE 2025

PERSPECTIVES ON BUSINESS & FINANCIAL MANAGEMENT

the Capital Partner

"Preserving, Protecting & Propagating Capital through Prudent Planning"

Canadian Home Sales Rise While Prices Hold Steady in May

THE NUMBER of home sales recorded over Canadian MLS® Systems climbed 3.6% between April and May 2025, marking the first gain in activity since last November. (Chart A)

The monthly increase was led by the Greater Toronto Area (GTA), Calgary, and Ottawa.

"May 2025 not only saw home sales move higher at the national level for the first time in more than six months, but prices at the national level also stopped falling," said **Shaun Cathcart**, CREA's Senior Economist.

"It's only one month of data, and one car doesn't make a parade, but there is a sense that maybe the expected turnaround in housing activity this year was just delayed for a few months by the initial tariff chaos and uncertainty."

New supply rose by 3.1% month-over-month in May. Given a similar increase in sales activity, the national sales-to-new listings ratio was 47%, almost unchanged from 46% in April.

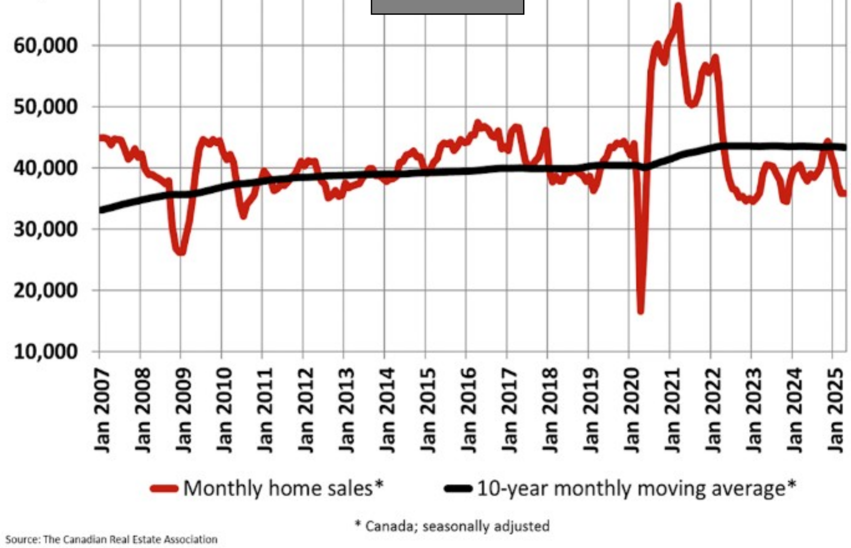
The long-term average for the national sales-to-new listings ratio is 54.9%, with readings between 45% and 65% generally consistent with balanced housing market conditions.

(Continued on page 3)

May Highlights

- **National home sales were up 3.6% month-over-month.**
- **Actual (not seasonally adjusted) monthly activity came in 4.3% below May 2024.**
- **The number of newly listed properties rose 3.1% on a month-over-month basis.**
- **The actual (not seasonally adjusted) national average sale price was down 1.8%**

Chart A



SUMMER ISSUE

"Of all the means to insure happiness throughout the whole life, by far the most important is the acquisition of friends."
Epicurus

GORDO'S CAPITAL COMMENT

Yippie! We have a New Government... Sort of.

Although lacking political experience, PM Carney brings real life experience to the PMO.

IN THE 1960s, ABBIE HOFFMAN - political activist and co-founder of the Youth International Party (aka the YIPPIE! Party), warned his generation NOT to trust anyone over age 30 - even though he was over 30 himself at the time .

He was a master of media and theatre. An agitator all about spectacle, pulling off stunts like nominating a pig for the U.S. Presidency. His discourse in the Chicago courtroom during the the Chicago 8 trial is legendary.

Like many in his day, he abhorred corruption and repression. He wasn't above using humour to point out the hypocrisy and short comings of the U.S. ruling class.

I'm not typically bothered when young people adhere to idealism or higher principles. Nor does it worry me when youth point out the short comings "in the system." Many of our institutions are old and require critical evaluation, updates, some re-tooling, an even an overhaul.

Given their prospects for buying a house, raising a family or enjoying a similar standard of living to what previous Canadians enjoyed, I'm surprised more aren't marching in the streets.

After 2015, our country was "led" by a young adult who was let go from a part-time post as a drama teacher (it's not clear why). And, he never held another job until he was elected as an MP - having the right name, pedigree and social media presence helped. Big on veneer. Scant on substance or experience.

Is it any wonder Canada's economic output and standard of living went nowhere?

Thing is, it's not like voters had much to choose from during the decade: Andrew Scheer, Jagmeet Singh… What office had they previously held? What business had they run? What Chambers of Commerce did they chair? What mountains did they climb? What vaccine did they invent? What wars did they win? Where was there any hint that they had faced and overcome adversity in life and shown leadership? (Nothing against Bloc Quebecois leader, Yves-François Blanchet, but when your *raison-d'etre* has a separatist bent, you're probably NOT going to get elected Prime Minister of Canada.

These days, there is no shortage MPs who cut their teeth working as "staffers" like Scheer. They know nothing but the dysfunction of the past decade! That's nuts.

I hope the election of PM Carney signals that adults have returned to the PMO. Our country has big issues to resolve. Its tough to trust anyone under 50 to solve them. ❍

***the* Capital Partner**

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Wiebe is a licensed as a Life Underwriter in the provinces of BC, Alberta and Ontario. He is an experienced analyst, financial professional and "Annuity" specialist.

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PRINTING & EDITING

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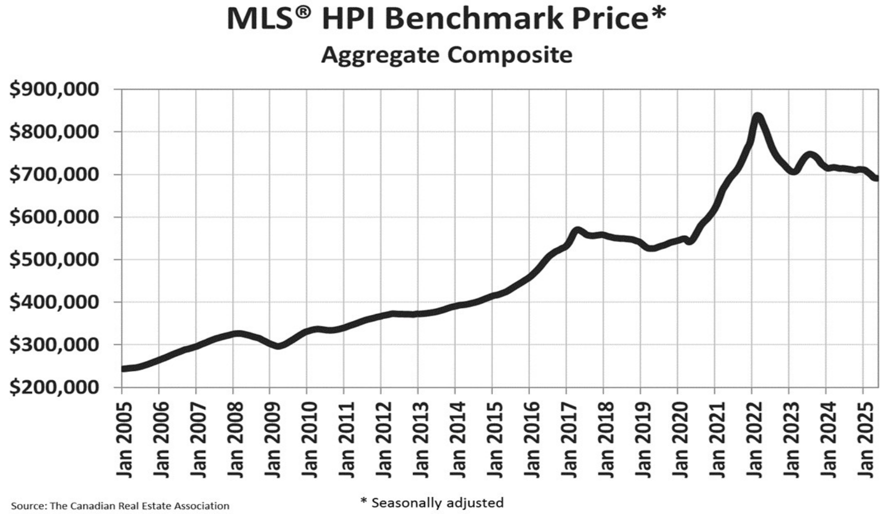
CAPITAL PARTNER STRATEGIES

May Home Sales



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There were 201,880 properties listed for sale on all Canadian MLS® Systems at the end of May 2025, up 13.2% from a year earlier but remaining about 5% below the long-term average of around 211,500 listings for the month.

"May saw an increased number of new listings hitting the market early in the month, followed by a higher cnumber of transactions in the second half of the month, so overall more sellers and buyers compared to April," said **Valérie Paquin**, CREA Chair.

"It seems like this may carry over into June as well. If you're looking to buy or sell a property heading into the second half 2025, you'll need to understand how national trends are or are not playing out locally, so contact a REALTOR® in your area today."

There were 4.9 months of inventory on a national basis at the end of May 2025, near the long-term average of five months of inventory. Based on one standard deviation above and below that long-term average, a seller's market would be below 3.6 months and a buyer's market would be above 6.4 months.

The National Composite MLS® Home Price Index (HPI) was relatively unchanged (-0.2%) from April to May 2025. The pause follows on the heels of three straight month-over-month declines of closer to 1%. The non-seasonally adjusted National Composite MLS® HPI was down 3.5% compared to May 2024. ❍

Source: CREA

An Energy Superpower? Building the Future of Energy

On May 23, 2025, Energy Minister Tim Hodgson addressed the Calgary Chamber of Commerce and outlined Prime Minister Carney's vision for Canada as an "Energy Superpower." It's a marked change from the previous Liberal government and the failed policies of the last decade. His speech is presented here in its entirety.

THANKS for having me here today. And above all, thank you for the work you do as a Chamber.

Your priorities - securing diversified trade, attracting, retaining and investing in talent, and making it easier to do business - are going to keep Calgary strong now and into the future.

I also see my colleague, **MP Corey Hogan**, **Ministers Jean, Schulz**, and **Mayor Gondek**, as well as several other former or current MPs, MLAs and Mayors in the audience - I want to thank them for being here, and for the work they do to represent and strengthen this province and this city.

I've found that Calgarians are pretty quick to ask me where I'm from.

My father was in the Canadian Armed Forces … and later on I was in the Forces myself … so when people ask me that, I've always said, "where would you like me to be from? Because I can be from there."

Of course … now when I say it … people think I'm just trying to be a politician.

But it's true.

And, I think, a pretty Canadian thing to say.

So many of us come from somewhere else. Somewhere else in the country. Somewhere else in the world.

What we have in common is fierce loyalty to where we live. To our cities. To our provinces. But above all, to our country. And that is what I want to speak about today.

About our country. About what unites us as Canadians.

About this province and city … and the role they will play in making Canada a conventional and clean energy superpower.

But you likely don't know much about me.

Like Johnny Cash sang - I've been everywhere, man.

But my roots are in the Prairies. My grandmother was born in Moosejaw, when it was the Northwest Territories - before Saskatchewan was created. My mum was born in Calgary, and most of her family still live here.

Following my dad's example, I joined the Canadian Armed Forces out of high school when I was 17. That stint taught me a lot about service. And if you know anyone who has served, you know that it shapes your life forever.

Then, I went to work for **Goldman Sachs**, commuting from New York to Calgary.

At Goldman, one of my first major deals is also one of the deals I am still the proudest of today: **The Alliance Pipeline**.

In the 1990s, there was too much gas in Alberta. Prices were low, and nobody was making money.

We helped get that project off the ground, delivering rich natural gas and liquids from the **Western Canadian Sedimentary Basin** to the Chicago market hub - and putting the basin back in balance.

That pipeline closed the natural gas price differential, supported jobs, and brought Alberta better royalties and the federal government more revenue. A better price for Canadian energy helped every Canadian - just like more recently, with the building of the TMX expansion.

> ***"And if you know anyone who has served, you know that it shapes your life forever."***

My experience in the energy and resource sector did not stop there. I served on the boards of **MEG Energy** and **Hydro One**. I've helped finance **OSB mills in High Level** and **Grande Prairie**. I worked on IPOs, including **Cameco**'s listing on the **NYSE** and

Capital Power's IPO here in Alberta. And I helped finance potash projects and even a pulp mill in Meadow Lake, Saskatchewan.

During the global financial crisis, I had the privilege of serving our now-**Prime Minister, Mark Carney**, as his special advisor at the Bank of Canada. Those were turbulent days, and they taught me that leadership is about action when it matters most.

But ultimately - that belief in the power of leadership - combined with the deep sense of public service and patriotism I learned in the Forces … led me here today.

I'm a pragmatist, a businessman. When I see something that needs changing, I work hard to change it.

That's why I joined this government: because I believe in public service that delivers results. And most of all, because I love this country.

Where We Are Now

Today, we find ourselves at a pivotal moment. Global economies and markets are volatile. **President Trump**'s tariffs are disrupting trade, threatening Canadian jobs and industries, and rewriting the rules of the game.

We did not ask for this trade war. But we are going to win it.

When President Trump says, "***We don't need Canada's lumber, energy, autos, or minerals,"*** it's not exactly subtle. We know what that really means: the Americans really need all those things.

The President likes to talk about it like a card game. So, if we're going to sit across the table from him or anyone else, we need to hold Canada's best cards. That means being able to sell our products to the world. It means expanding our markets, modernizing our infrastructure, and creating the conditions to compete and win.

That's why I'm working with my new Cabinet colleagues and every provincial and territorial government to retool our economy to strengthen Canada's hand - not just in Washington, but everywhere.

Ultimately, this is not a game.

Jobs and livelihoods are at risk - from miners in Saskatchewan to forestry workers in B.C., from rigs in Alberta and Newfoundland to Ontario's auto plants.

The old economic relationship with the United States is over. We need to accept that. We need to prepare to compete as Canadians, on our terms.

Prime Minister Carney has laid out a clear strategy: **We will be masters in our own home. We will not bow to economic aggression. We will defend our workers, our industries, and our values. And we will build a new foundation - one that delivers the strongest, most resilient economy in the G7.**

We are living through what the Prime Minister calls a ***"hinge moment"*** in our national story. This is not a time for half-measures or slow steps. It is a time for bold action, clear decisions, and a renewed spirit of building.

That means reframing the national conversation.

No more asking, "Why build?" The real question is, "How do we get it done?"

That means breaking apart barriers and ripping down red tape. It also means doing things responsibly the first time: meeting our Duty to Consult so Indigenous Peoples are true partners, and protecting our environment so we don't have to clean up mistakes later.

I want to be very clear. In the new economy we are building, Canada will no longer be defined by delay.

We will be defined by delivery.

Canada as an Energy & Natural Resources Superpower

So what does delivery look like? It begins with a vision: to build Canada into a conventional and clean energy and natural resources superpower.

We have the resources. We have the people. We have the ideas. And we now have a government determined to lead and help unlock the potential of Canadian workers and businesses.

We are taking major steps to back that vision with action.

First, we will identify and fast-track Projects of National Interest. These are the projects that matter - to our economy, our environment, and our sovereignty. No more five-year reviews - decisions will come in two years for all projects.

To make that happen, we're standing up a Major Federal Projects Office. It will be a single window for permits, bringing together what used to be scattered across departments. It's about making "One Project, One Review" real. Less red tape, more certainty, better outcomes.

"The real question is 'how do we get it done?'"

And we're doing this not just for speed, but for purpose.

Because Canadian energy is not just about domestic prosperity. It's a tool for global stability and transformation.

It's high time to trade more with people who share our values - not just our border. Your new government will work fast with the provinces and territories, industry and Indigenous partners to diversify our trade and open and expand new markets for energy and natural resources.

Every barrel of responsibly produced Canadian oil and every kilowatt of clean Canadian power can displace less clean, riskier energy elsewhere in the world. Our exports can help our allies break dependence on authoritarian regimes and help the world reduce our emissions.

And by working with the energy sector to make investments that fight climate change, we can get more barrels to market while cutting carbon emissions.

And by the way, the building doesn't stop with energy: we need housing too, as you in Calgary know well. And that housing needs lumber. Good thing Canadian lumber and engineered wood

(Continued on page 6)

"Energy as a tool for global stability and transformation..."

(Continued from page 5)
products are among the best in the world for building.

This is basic economics: comparative advantage. We're better at energy, forestry and mining than most of the world. **We do it cleaner, safer, and with stronger labour standards and Indigenous rights**. **Let's be proud of that. And let's use the revenues to strengthen our economy, fund public services, and build the next generation of Canadian prosperity**.

I'm not here to waste time - mine, yours, or Canada's. Like **Prime Minister Carney**, I have a strong vision for each sector within Canada's energy and natural resources fabric. So, let's talk about what that looks like.

Oil & Gas

Let's start with oil and gas.

Canada will remain a reliable global supplier - not just today, but for decades to come. The real challenge is not whether we produce, but whether we can get the best products to market before someone else does.

We need infrastructure that gets our energy to tidewater and to trusted allies - diversifying beyond the U.S.

We will invest in carbon capture, methane reduction, and other technologies to ensure Canadian oil and gas is not only produced responsibly, but is the most competitive in the world.

All of us - governments and industry need to get the Pathways Project done.

This government will not be a government of talk, but a government of action. We need the same from the province of Alberta and the Pathways Alliance.

Your federal government has committed to certainty, to support, and to making Canada an energy superpower, but we need a partner who is also willing to make good on their promises to Canadians. We need to demonstrate to our customers outside the U.S., and to our fellow Canadians, that we are a responsible industry - and this government believes Pathways is critical to that reality.

Through it all, we need to ask questions about two things at the same time: economics and security. They run in parallel, but they are not the same. One project can be an answer to both, but first let's make sure we are asking the right questions.

I am old enough to remember the **Oil embargo in 1973**, when the **SS Manhattan**, bound for Quebec, was diverted to the United States, leaving Eastern Canadians vulnerable. We can't let that happen again. Eastern Canada needs better supply security. We need to reduce our exposure to foreign energy, in a world where we may not be able to rely on trade agreements with our southern neighbours.

Energy is power. Energy is Canada's power. It gives us an opportunity to build the strongest economy in the G7, guide the world in the right direction, and be strong when we show up at a negotiation table.

Hydrogen, Nuclear & Biofuels

We can't end the energy conversation having only talked about oil and gas. We must also invest in promising, scalable energy sources like hydrogen, geothermal, advanced biofuels, renewables and nuclear. These are not speculative bets - they are scalable, exportable solutions with rising global demand that will diversify and strengthen our economy.

Electricity

Further, as former Board Chair of Hydro One, I also know one or two things about the power of Canadian electricity.

I believe our future depends on integrated electricity grids. Our new government will quickly work with provinces and territories on east–west transmission and better integrate our systems. This is part of what the Prime Minister means when he says one economy, not thirteen.

A pan-Canadian grid means more reliable, affordable, sustainable power for Canadians. It means powering industries from AI to manufacturing. And it means exporting energy between provinces who want Canadian solutions.

Critical Minerals

When it comes to mining, we know that Canada also has what the world needs here: lithium, copper, nickel, cobalt, manganese and - of course - one of the world's largest supplies of high-quality uranium.

(Continued on page 7)

But we need to do more than dig. We need to process and refine here at home, and export to the world, not just the U.S.

Our **First and Last Mile Fund** will connect remote projects to infrastructure, ensuring our critical minerals get to market with the associated value-added processing.

This is about creating a secure, vertically integrated supply chain that makes Canada the global supplier of choice.

Forestry

Finally, the forestry sector - the lifeblood of some 300 communities across Canada, including here in Alberta.

Canadian forest companies continue to face unjustified duties when exporting lumber to the U.S. These duties continue to place needless pressure on the Canada - U.S. trading partnership, impacting everyone from workers to home builders to consumers. While we continue to work towards a long-term resolution, we will use more Canadian wood at home to address Canada's housing and other building needs.

Alberta and the West

Now … let's talk about Alberta, specifically.

One of my first calls as Minister was to **Minister Brian Jean**. This relationship matters, and I am committed to a clean slate.

I may live in Toronto right now, but I was born on the Prairies. I want you to understand that I will be a voice for Alberta and Western Canada at the Cabinet table.

President Trump has done a lot. But one thing he's done unintentionally is remind us that we need to act as one Canada. And not just one Canada, but one economy, and one market.

That includes actively working with provincial and territorial governments to harmonize and link carbon markets across the country.

Improving our system of carbon markets will make sure that, as Canadian industry reduces emissions, we are still competitive, able to withstand America's trade war, and positioned to take advantage of new opportunities. I'm working closely with **Minister Dabrusin** and others to make this a reality.

The nation-building projects we must deliver cannot be delivered by governments on their own. These projects will be built by the private sector, with the support of Indigenous communities and other stakeholders. Governments can be a catalyst and an enabler - and the federal government is ready to do our part. I know - with your support - we can get this done.

"And if you know anyone who has served, you know that it shapes your life forever."

These projects are crucial because not only are global markets changing but so, too, is our global environment. We need to build to meet both these challenges, and that will not be easy or free. That will involve thinking outside the box, outside of electoral cycles, and digging in on solutions that allow us to hand down a competitive, sustainable economy to our children and grandchildren.

I also want to say to every energy worker in this province and this country: Thank you. You are an integral part of Team Canada. You make Canada Strong.

I went to a vocational high school in Winnipeg, and many of my classmates didn't go to university. One of my best friends spent 25 years on the rigs. His job on those rigs in Alberta bought him a home. It financed a good life. That's how it should be.

During the election, I went door to door in my riding. It's a suburban Toronto riding that would look a lot like the suburban ridings in Calgary or Edmonton. I learned that you can knock on any door, anywhere in Canada, and hear the same thing from new Canadians: "**We came here to build a better life.**"

They know, like we do in this room, that because of the opportunity Canada offers - through jobs in sectors like energy - it is the best country in the world.

And that's what we need to protect. A Canada where hard work still pays off. Where good jobs - with or without a degree - are available for future generations.

This government isn't just about people in suits in Toronto or Ottawa. It's about people in hard hats, on the drilling pads, in the forests, and at the mills. From Peace River to Lethbridge, from engineers to rig workers - that work powers our country, and it earns our respect.

Time to Build

A strong Canada needs a strong Alberta.

To be strong, we will build things in this country again. We will make Canada a true conventional and clean energy superpower. That is our promise. ❍

STREET LEGAL

Changes in Latitudes, Changes in Attitudes

As his widow and the co-trustee clash over the management of assets, risks associated with a family trust structure surface.

JIMMY BUFFETT had been a successful singer/song writer and business owner for most of his life. He was conscientious and he planned for life "post-Margaritaville."

When he died in September 2023, he left an estate worth **$275 million** (roughly Cdn $380 million).

The bulk of the estate was placed into a family trust with his wife, **Jane Buffett (Slagsvol)** and **Richard Mozenter** named as co-trustees (i.e. responsible for the administration of the funds). Mozenter had been Buffett's trusted business manager and financial advisor for thirty years.

Buffett appointed the two persons he trusted most during his lifetime to jointly administer his "estate." It seems like a reasonable proposition but, soon after Buffett's death, they became embittered and adversaries.

During the first week in June, Jane Buffett petitioned a Los Angeles court, requesting the removal of Mozenter as co-trustee. In the documents, she claimed Mozenter had been "openly hostile and adversarial," and that he had refused to offer details about the trust and its financial status.

"I don't know, where I'm gonna go, when the volcano blows." **Jimmy Buffett built a show business empire by singing songs about a laid back lifestyle. But, spoils of success aren't always administered smoothly by trustees or graciously received by survivors and beneficiaries.**

In turn, Mozenter filed in Palm Beach, Florida claiming Jane had been "completely uncooperative," and interfered with his management.

The assets in the trust were considerable but, not necessarily easily administered. They included:

- $35m of real estate
- $15m interest in an airline co.
- $2m of musical instruments
- $5m in vehicles/boats, etc.
- $12 m in other investments

Buffett's estate also included equity stakes in **Berkshire Hathaway** and **Margaritaville** - the franchise that markets Buffett like "lifestyle" merchandise, bars, restaurants, hotels, casinos, cruise ships.

Mozenter claimed Buffett "repeatedly expressed concerns about his spouses' ability to manage and control the assets."

He also suggested that by creating the trust, Buffett had wanted to preclude his wife Jane from having actual control over the funds.

She was enraged.

She claimed the $1.7 million dollars Mozenter charged the fund for annual administrative fees - less than 1% of the assets under administration, were excessive.

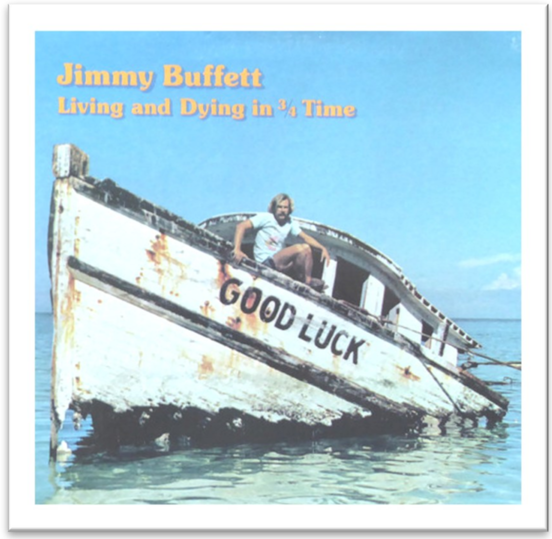
Further, as the only named beneficiary she said she only received **$2 million** in annual disbursements, well below her annual expenses. When Mozenter suggested she adjust her spending habits, he likely came off as "cold and paternalistic."

Greater numbers of cases like this are expected to emerge in the U.S. and Canada as baby boomers attempt to pass on their estates to future generations and name trusted family and friends as co-trustees.

This case demonstrates why communicating with affected parties while alive is important. It also shows how it's easier to get a Cheeseburger in Paradise than it is to have your estate sorted peacefully split amongst family and friends, etc. ❍

CAPITAL PARTNER STRATEGIES

How to Spare Loved Ones Post-Mortem Stress & Conflict A Proxy for Family Trusts



"'Jimmy, some of it's magic, some of it's tragic
But I had a good life all the way'"

Jimmy Buffett - He Went to Paris

As the article on the opposite page illustrates organizing one's own affairs post-mortem can be riddled with pitfalls and shortcomings - especially when using a family trust.

In spite of Jimmy Buffett's best efforts, once he was gone, the two people he trusted the most couldn't get along. It almost seems inevitable. Personalities clash. Assets can be difficult to liquidate. Income tough to predict. And, taxes can eat away at income, principle and proceeds.

In Canada, trusts are taxed at the highest rate from dollar one.

An alternative to a family trust can be an investment contract held with an insurance company (aka a seg fund contract).

Investors can designate:

i. **Ownership** - the owner, manager and tax payer of a policy;
ii. **Annuitant** - the person(s) whose life determines the maturity benefit, the death benefit and the "triggering" events" on a policy;
iii. **Successor Owner** - ownership of the contract assets will transfer directly and confidentially to the designated owner rather than to the deceased owner's estate (no deemed disposition for spousal rollovers);
iv. **Successor Annuitant** - IF the death of the primary annuitant passes, the contract can continue to be in force where a successor annuitant is named and living;
v. **Beneficiaries** - a person or persons designated to receive the proceeds or income from the policy should the annuitant (i.e. the measuring life) die:

While he was alive, **Buffett** could have had taken a portion of his private, illiquid assets and put them into a policy. That may have prevented the beneficiary and the trustee from suing each other.

Here's how. He could have invested $100 million in a balanced or a dividend seg fund and set up an annual 5% draw. That would have provided $5 million a year ($416K / month) of tax favoured income. The principal could grow in perpetuity for his children whom he wanted to be the ultimate beneficiaries.

By naming his spouse as successor owner, the contract would have rolled over to her without a disposition (i.e. no immediate tax liabilities). Meanwhile, the income could have continued. She would have known what her monthly income in advance and would have been and adjusted her spending accordingly.

But what if she purged the principal? What safeguards might be available?

As Buffett had wanted his estate to ultimately end up in his children's hands, he could have designated them as "**irrevocable beneficiaries.**" That would allow the terms of the contract to be changed only if the children agreed and signed off. Then, once his wife passed (presumably before his children), the kids would receive the growth on the principal, either as a lump sum, as income or a combination of both.

NOTE: a deemed disposition would occur after the wife's death. Capital gains would be owed on the growth that occurred on the principal.

Takeaways...

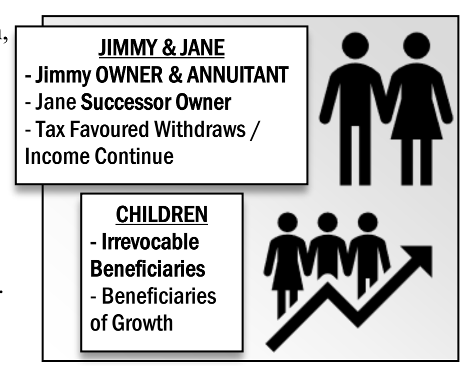
Most business owners don't have $380 million to bequeath to loved ones. Nor do legal, accounting and administrative fees always justify a family trust. So, how might this work for business owners and professionals with smaller amounts?

The current Lifetime Capital Gains Exemption (LCGE) for Canadian small business owners is **$1,250,000.00** Let's use that.

An investment in a blue chip, Canadian Dividend (policy) could be set up to provide the owner with a 5% draw. That would provide the owner with **$62,500.00** of tax favoured income (**$5,208.00** monthly).

Most of the income would be "return of capital" which is not taxable. Taxes would only be payable on the growth and income from the fund itself. A dividend portfolio with low turnover would help keep taxes to a minimum.

So, it is possible to transfer wealth to subsequent generations in a tax-smart, capital efficient method. You don't always need a lawyer but your accountant and kids will be grateful.



CAPITAL PARTNER BUSINESSES

Business Briefs, News & Notes

Latest Quarterly Results from Businesses in Portfolios

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Canadian Banks & Financials

Royal Bank of Canada reported Q2-25 net income of **$4,390 million** or **$3.02**/share up $483 million or 11% from Q2-24. YTD, RBC has earned **$9,521 million** or **$6.56/** share. ROE for first six months was **15.5%**.

TD Bank Financial Group - Q2-25 net income was **$11,129 million** or **$6.27** /share up 334% or $8,568 million from $2,564 million or $2.04 (reflecting the sale of the bank's interest in Charles Schwab Corp.) Adjusted net income was $3,626 million down 4.3% from the same quarter last year. Net earnings for the first six months were **$13,922 million** or **$7.81** /share (including the sale).

For the second quarter ended April 30, 2025, **BMO Financial Group** reported net income of **$1,962 million** or **$2.50** /share vs. $1,866 or $2.36 /share in Q2-24. ROE for the quarter was **13.5%**.

For the first 6 months, BMO reported earnings of net income of **$4,100 million** or **$5.34** /share vs. $3,158 or $4.08 /share year of year (yoy).

The Board of Directors declared a quarterly dividend of **$1.63 /share, up $0.08 /share or 5%** from the previous year and 3% from the previous quarter.

BMO has paid steady dividends since 1835 (196 years).

Investment Contracts Performance (CAGR)

	YTD	1 yr	3 yr	5 yr
As of May 31, 2025.				
RBC Cdn Dividend GIF - Invest Series	5.59	16.8	8.34	14.39
MFC Fundamental Dividend GIF Select	8.25	16.8	7.57	11.77
As of March 31, 2025.				
I.A. Financial Dividend Growth	2.83	15.74	5.48	13.49
I.A. Financial Real Estate Income	.070	-2.09	-6.03	5.80

Any amount allocated to a variable annuity contract/segregated fund is invested at the risk of the contract holder and may increase or decrease in value. Guarantee provisions contained in these contracts are the responsibility of the issuer. Past performance is no guarantee of future results.

Canadian Real Estate Income Trusts

RioCan REIT announced the following first quarter results ended March 31, 2025.

FFO per unit were **$0.49**, an increase of **$0.04** per unit or **8.9%** year over year.

FFO per unit guidance for 2025 has been revised to **$1.85** to **$1.88** from the previously disclosed range of $1.89 to $1.92 resulting from expected lost FFO from the RC-HBC JV operations...

At the end of the Q1-25 RioCan's **NAV (**net asset value/unit) was **$24.62,** down 2.1% from year's end.

At the end of Q1-25, **CAP REIT** reported diluted **NAV** unit of **$55.56** up slightly from $55.50 as at year's end. FFO were **$0.585** down 3.9% year over year.

During the quarter, CAPREIT purchased/cancelled **600K** trust units under the NCIB program, at an avg. purchase price of **$42.79** /Unit, for a total cost of **$25.5 million**.

Norway Wealth Fund Places TD Bank "Under Observation"

On June 11, 2025, Norges Bank's Executive Board - the investment management firm overseeing the **Norwegian Sovereign Fund)** decided to place the **Toronto-Dominion Bank** under observation for a period of four years.

The board decided an unacceptable risk at the company contributes to or is responsible for gross corruption or other serious financial crime, in reference to the conduct-based criterion in the *Guidelines for Observation and Exclusion* from the **Government Pension Fund Global (Cdn $2.58 trillion).**

The decision is based on a recommendation from the Council on Ethics of 5 March 2025.

The Current State of the Condo Market in Canada

- **Between 2022 and 2025 (Q1), total condominium apartment sales dropped by 75% and 37% in Toronto and Vancouver Census Metropolitan Areas (CMA), respectively. Inventories more than doubled and prices fell.**
- **A growing number of investors who made recent purchases are under financial distress due to falling prices. In Toronto, they face as much as a 6% capital loss on pre-construction purchases concluded in 2024.**
- **Softening market conditions have led to project cancellations. Between 2022 and 2024, these cancellations resulted in a 5- and 10-fold increase in the number of cancelled units in Toronto and Vancouver, respectively.**

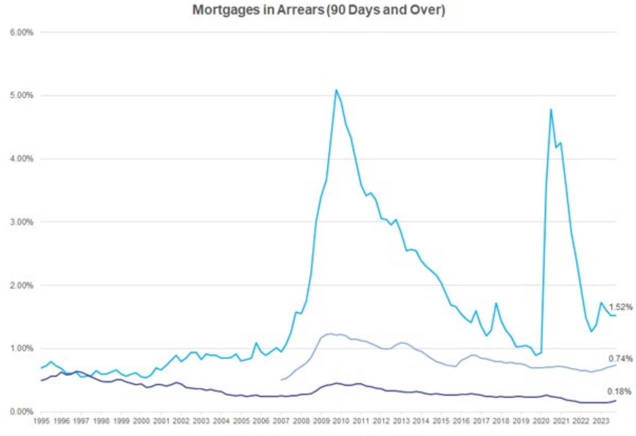
Significant Decline in Condominium Sales in Toronto & Vancouver

Following years of growth, condominium apartment sales (resale, new and pre-construction units) in Toronto and Vancouver, the 2 largest condominium apartment markets, began to decline in mid-2022. By the end of the first quarter of 2025, they had fallen 75% in Toronto and 37% in Vancouver.

Prior to 2022, low interest rates boosted sales by encouraging demand from homebuyers and investors. Subsequent higher rates decreased demand by reducing affordability for homebuyers and potential returns for investors.

Growing inventories

For many years before interest rates began to rise, condominium developers operated in a market with high demand and low borrowing costs. A record high 25,572 and 12,442 condominium apartments were completed in 2024 in Toronto and Vancouver, respectively. Higher interest rates and trade uncertainty have reduced demand, coinciding with record levels of inventories.



In Toronto, where the market weakness is the most pronounced, the months of inventory for pre-construction condominiums in Q1 of 2025 were more than 14 times higher than they were in 2022. It would take 58 months to sell the available stock at the current rate of sales (Figure 1).

Declining prices

Increasing inventories and reduced sales lowered prices. Between 2022 and 2025 (Q1), average resale condominium apartment prices declined by 13.4% in Toronto and 2.7% in Vancouver.

In the 2 years before 2022, these prices had risen by more than 19% in both CMAs. Investors, who had made purchasing decisions in a market characterized by double digit price growth, are now facing a market where prices are trending down (Figure 2).

Investors Declining Profitability

Profitability for investors in the Toronto and Vancouver condominium markets is under pressure. High interest rates, which increase carrying costs, combined with stagnant price growth that limits equity building, have significantly reduced potential returns for investors.

Based on prices of recently occupied new condominiums and similar units in the resale market, condominium investors in Toronto potentially face up to 6% in capital losses on pre-construction purchases concluded in 2024. It is also more difficult for them to access financing when the value of their condominium units decreases between the pre-construction purchase and closing.

New investors renting out their units are also negatively affected. Carrying costs in Toronto and Vancouver have grown 24% and 29%, respectively, while average rents have only increased by 15% and 12% since 2022.

Project cancellations have increased

In Toronto, 55% of pre-construction units went unsold in the first quarter of 2025, marginally below the record high of 56% at the end of 2024. This level of unsold units presents a significant challenge for developers seeking funding for their projects. Lenders typically require a pre-sale threshold of 70% (PDF) prior to releasing funds.

The challenge in funding condominium projects has led to some developers shifting to rental unit construction where purpose built rental unit construction programs offer potential financing. This is an outcome that is reflected in both our key stakeholder meetings and our 2024 Canadian Rental Housing Construction Survey.

In 2024, condominium apartment unit cancellations were 5- and 10-fold higher than they were in 2022 in Toronto and Vancouver, respectively. Despite some condominium projects converting to rental, developers have still been cancelling an increasing number of them.

Short-term vs long-term implications

Growing condominium inventories have led to a reduction in prices for buyers. They have also led to lower rents as more condominium owners compete for rental cashflows. Canceled projects will mean fewer housing completions in the future.

CPP Review

Chief Actuary of Canada launches the review process for 32nd Actuarial Report on the Canada Pension Plan

Ottawa - June 2, 2025. The Office of the Chief Actuary (OCA) is launching the peer review process for its next (32nd) Actuarial Report on the Canada Penson Plan (CPP). This important report provides a better understanding of the financial state of the CPP for all Canadians and is expected to be released in December 2025.

As part of this process, the OCA is seeking members for the external peer review panel. The external peer review ensures the actuarial report meets high professional standards and is based on reasonable methods and assumptions.

Actuarial reports on the CPP are done every three years and are used by the federal and provincial Ministers of Finance when reviewing and making recommendations on the CPP. The first phase in this process is to seek applicants to create an external peer review panel.

The OCA is looking for individuals who are Fellows of the Canadian Institute of Actuaries (FCIAs), as well as possibly one other fully qualified actuary (equivalent to a Fellow of the CIA) who belongs to another actuarial association.

To apply, an application form must be submitted by July 18, 2025, at 11:59 p.m. (ET). Additional information on the independent peer review process and the terms of reference is available on the **OCA's website**.

Sample Annuity Rates

Rates are as of **Jun 15, 2025** & based on a non-registered $100,000 premium. Payments are **Guaranteed for LIFE** & include a 10- year guaranteed payment stream (i.e. balance paid to beneficiaries). Highly Tax Efficient. Rates change daily.

# of Lives, Age & Gender	Monthly Income	Annual Payment as % of Premium
65 Yr Male	$ 548.00	6.57%
65 Yr Female	$ 524.00	6.30%
65 Yr Joint	$ 479.00	5.75%
70 Yr Male	$ 592.00	7.11%
70 Yr Female	$ 568.00	6.81%
70 Yr Joint	$ 491.00	5.90%
75 Yr Male	$ 644.00	7.72%
75 Yr Female	$ 599.00	7.19%
75 Yr Joint	$ 534.00	6.41%
80 Yr Male	$ 715.00	8.58%
80 Yr Female	$ 679.00	8.14%
80 Yr Joint	$ 610.00	7.33%