

Reserve Fund Monthly

July 26, 2022

Our monthly bulletin for condo boards, property managers, and others involved with the management of residential and commercial condominium reserve funds

Fixed Income Rate Sheet

*Decrease from last month
*Increase from last month
*No change from last month

High Interest Savings Account (can be used for operating account)	2.30%
High Interest Chequing Account (can write cheques/e-transfer)	1.65%
1 Year GIC Cashable after 30 Days	2.25%

Guaranteed Investment Certificates (GIC) Opportunities					
	1 Year	2 Year	3 Year	4 Year	5 Year
Annual Pay	4.12%	4.48%	4.56%	4.60%	4.73%
Monthly Pay	3.99%	4.35%	4.42%	4.48%	4.64%

Current Attractive Short Term Bankers Notes		
Issuer	Maturity Date	Yield to Maturity
Schedule 1 Bank	1 Month	2.47%
Schedule 1 Bank	2 Months	2.77%
Schedule 1 Bank	3 Months	3.05%

Featured Structured Solution of the Month

Condo boards must be more creative in today's ultra-low rate environment to earn a legitimate return on their reserve fund. Thankfully, there are structured products available, which offer principal protection, as well as equity market participation to help gain more meaningful returns in your reserve fund.

National Bank Canadian Market Autocallable GIC

This may be the most intriguing market-linked GIC I have ever seen. Coupons like this are not that uncommon for structured solutions which offer 20-30% downside protection, but this month's featured structured solution offers a potential 7.50%/year coupon with 100% principal protection at maturity – it is also a CDIC insured GIC. Based on an equally-weighted basket of 8 large Canadian stocks, on annual valuation dates if the underlying basket is at all positive, the note is “called” away, and the investor receives back their principal, plus a 7.50%/year coupon. If the underlying is down the first four years, but is up on the fifth annual valuation date, the note is “called” with a 37.50% coupon. If the underlying is down all seven years, and every company in the basket goes bankrupt – the investor receives back their full principal, but no coupon at maturity

Contego Wealth Management | Raymond James Ltd. 750-45 O'Connor Street | Ottawa, ON | K1P 1A4

613.369.4600 | Toll Free: 1.866.552.0889 | Fax: 613.369.4699

www.raymondjames.ca/contego

Canadian market, Auto Callable

7 years
(if not called)

CAD

BCE 12.50%	TD 12.50%
EMA 12.50%	RY 12.50%
ENB 12.50%	POW 12.50%
GWO 12.50%	MFC 12.50%

▪ Auto call rates:
7.50% | 15% | 22.50% | 30% | 37.50% | 45% |
52.50%

Principal Protected : 100%

Highlights:

- 7-year term
- 7.50%/year potential coupon
- Principal fully protected at maturity by NBC and CDIC
- Based on equally weighted basket of BCE, EMA, ENB, GWO, MFC, POW, RY, TD
- Annual valuation/ call dates
- Daily liquidity (can trade up/down before maturity)

For more detailed information on rates and other products/services offered to condo corporations, or to subscribe to *Reserve Fund Monthly*, please contact the writer.

Kale Wild, CFP, CIM, FCSI
Financial Advisor & Portfolio Manager
Kale.wild@raymondjames.ca
Tel: 613-369-4625

This newsletter has been prepared by Kale Wild and expresses the opinions of the authors and not necessarily those of Raymond James Ltd. (RJL). Statistics, factual data and other information are from sources RJL believes to be reliable but their accuracy cannot be guaranteed. It is for information purposes only and is not to be construed as an offer or solicitation for the sale or purchase of securities. This newsletter is intended for distribution only in those jurisdictions where RJL and the author are registered. No recommendation of any product or service would be made without a thorough review of an individual's financial goals and risk tolerance. Within the last 12 months, Raymond James Ltd. has undertaken an underwriting liability or has provided advice for a fee with respect to the securities of TD Bank, Capital Power, Hydro One, and National Bank. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds and other securities are not insured nor guaranteed, their values change frequently and past performance may not be repeated. Raymond James Ltd. is a Member Canadian Investor Protection Fund. Securities-related products and services are offered through Raymond James Ltd., member-Canadian Investor Protection Fund.