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## The Shifting (Global) Order

We are living through a period of shifting order. Global alliances are outwardly frayed, old rules have been bent, and new ones are being formed. As Prime Minister Carney reminded the world in January: *"The old order is not coming back. We shouldn't mourn it. Nostalgia is not a strategy."*<sup>1</sup>

Indeed, the shifts appear to be more rapid, with a near-constant stream of geopolitical surprises that have become almost routine. Amid shifting U.S. trade and tariff measures, evolving foreign policy and even war, uncertainty has grown and global conflict has widened. Even before recent events, there was a notable flight to safety in precious metals while the U.S. dollar declined. These defensive trades prompted some to ask once again: Is gold becoming the global reserve currency?

For now, they reflect a world placing greater focus on sovereign resource security and geopolitical insulation. Of course, geopolitics and economics remain intrinsically intertwined: while geopolitics explains how global leaders interact with their counterparts, economics can influence, and more importantly, constrain, their ambitions.

As events continue to reshape the global order, oil prices have spiked, renewing inflation worries. Over recent months, there have been broader shifts in markets. Technology stocks, long the market's darlings, have faced pressure despite many posting solid earnings. Elevated capital spending has continued to draw scrutiny, even though returns on such investments can take years to materialize. Concerns about artificial intelligence's potential to disrupt have also extended across sectors.

There has also been a rotation toward more undervalued market sectors. The Dow, considered by some young investors as *"about as relevant as paper stock certificates or ticker tape,"* outperformed the S&P 500 and NASDAQ to start the year, prompting headlines like *"Boring is Back."*

Meanwhile, amid all of these shifts, some order emerged: the U.S. Supreme Court ruled that

invoking tariffs under the Emergency Economic Powers Act was not legal. Although not expected to change the current administration's approach, its clear legal boundaries augur well for the future. Nevertheless, uncertainty remains as renegotiations for the U.S.-Mexico-Canada Agreement (USMCA) draw near.

While the skies may appear cloudier for Canada's economic prospects as a middle power, our position shouldn't be underestimated: an energy superpower with vast natural resources, abundant fresh water, three coastlines, the world's most-educated population and political stability. We have undoubtedly been dependent on the U.S., given our close proximity. Even so, an Oxford Economics analysis suggests that a full USMCA collapse would reduce Canada's GDP by about 1.8 percent below baseline and cut private investment by 6 to 7 percent.<sup>2</sup> By comparison, the early 1980s recession, driven by high inflation and high interest rates, saw output fall by 5 percent and unemployment reach 12 percent, a reminder that Canada has endured far more severe shocks and recovered.

Against this shifting backdrop, the growing dispersion we see today rewards a thoughtful and selective investment management approach. At a time when uncertainty feels amplified and global policy-making remains volatile, discipline becomes increasingly important, particularly when the range of possible outcomes is wide. The constant shifts should also remind us that no cycle, policy regime or market trend is ever permanent, reinforcing the importance of maintaining a longer-term view.

As advisors, we are here to help you navigate this shifting order. We continue to monitor the evolving global situation. If you have questions or concerns, please don't hesitate to reach out.

Wishing you warmer days ahead.

1. World Economic Forum, Davos, January 2026.

2. <https://www.oxfordeconomics.com/resource/usmca-scenarios-north-american-trade-at-a-crossroads/>

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GOLD & SILVER'S RUN

# The Debasement Trade Amid Geopolitical Tensions

Gold and silver opened the year with substantial momentum. By the end of January, silver had surged to around \$120 per ounce (intraday), up 63 percent in the month alone and up more than 248 percent year over year. Gold futures posted their largest single-day dollar gain on record, rising about \$231 per ounce, while spot prices reached \$5,600 (intraday), up 92 percent from a year earlier. In early February, both metals corrected sharply, retracing part of January's rapid advance.

**Surging Prices: Silver & Gold, Jan. 29, 2026**

What was driving demand?	Price <sup>1</sup>	January Gain	Gain Over 2025 <sup>2</sup>	Year-Over-Year <sup>3</sup>
Some market observers point to the	<b>Silver</b> \$115.79	+63%	+141%	+248%
	<b>Gold</b> \$5,377	+25%	+64%	+92%

1. At close; 2. 12/30/24 to 12/31/25; 3. 1/27/25 to 1/27/26.

"debasement trade": an effort to preserve purchasing power amid monetary expansion and fiscal strain. The investment thesis is simple: when governments expand the money supply aggressively, keep interest rates below inflation or run large fiscal deficits, the real value of cash and fixed-income assets erodes. For investors worried about weakening currencies, gold and silver act as tangible assets with no sovereign liability attached. Recent developments have reinforced these concerns. In Japan, long-term government bond yields surged to record levels after the government unveiled a plan to increase spending while cutting the consumption tax in January.

**Geopolitical Tension & the Commodities Imperative**

Monetary concerns are only part of the story. Geopolitical tensions are reshaping capital flows and reserve strategies. Trade wars, tariffs and sanctions risks have pushed some governments to prioritize resource security, including stockpiling critical commodities. At the same time, the broader shift from global interdependence

toward national self-sufficiency is strengthening demand for real assets. Since 2022, central banks including Poland, Turkey, India, China and Kazakhstan have significantly increased gold reserves partly as protection against geopolitical pressure or financial sanctions. This has raised the question: Is a commodities supercycle underway?



**U.S. Dollar & Treasuries: Under Pressure**

Traditional safe-haven assets are also facing scrutiny. For decades, the U.S. dollar and Treasuries were regarded globally for their stability, but this view may be changing. The dollar fell to a four-year low in January, fuelling headlines such as "How Trump Is Debasing the Dollar and Eroding U.S. Economic Dominance." With lower interest rates and pressure for further cuts, the relative appeal of Treasuries may be diminishing. Other safe-haven currencies are also under pressure. The Japanese yen has weakened amid inflation and fiscal stimulus, leaving the Swiss franc as one of the few currencies still widely viewed as reliable.

What comes next? Given the scale and speed of gains, it's reasonable to ask whether certain defensive trades were overextended. By historical standards, gold and silver's early-year surge was steep. Still, the underlying drivers persist, including monetary expansion and geopolitical fragmentation. In such an environment, diversified exposure to defensive sectors, including commodities, alternative assets and resilient segments of the equity market, can help mitigate risks tied to inflation, currency erosion and geopolitical shocks.

A BRIEF LOOK ACROSS FOUR DECADES

## Global Equity Market Perspectives: Nothing Is Permanent

The share of global GDP among the world's largest economies continues to shift, shaped by economic policy, technology and demographics. Equity market share has also shifted over decades.

How have things changed? Seasoned investors may recall a time when the prevailing view was that Japan would surpass the U.S. as the world's largest economy. During the late 1980s Japanese asset price boom, the Nikkei 225 rose from about 12,000 in 1985 to 38,915 in 1989: a 225 percent gain in four years. At that time, land under Tokyo's Imperial Palace was said to be worth more than the entire state of California. In 1989, Japan held nearly 40 percent of global market capitalization. Two decades later, its share had fallen to just 7 percent. Meanwhile, the developing economies of China and India,

**Share of Global GDP (%) of Select Countries/Regions**

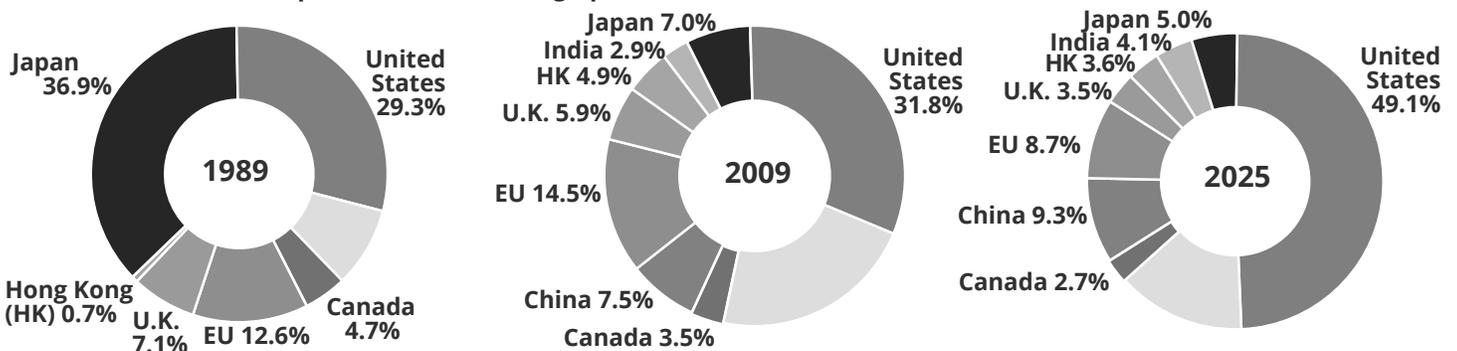
	USA	EU	Japan	China	India	Canada
<b>1989</b>	27.9%	24.9%	15.4%	2.3%	1.5%	2.8%
<b>2009</b>	23.6%	24.2%	8.6%	8.5%	2.2%	2.3%
<b>2025</b>	26.1%	18.0%	3.7%	16.6%	3.5%	1.9%

Source: IMF World Economic Outlook (October 2025 Dataset).

largely absent from charts in 1989, were rapidly expanding. Today, they together account for over 13 percent of global market value.

Where will we be in the next 20 years? Japan's experience reminds us that economic leadership is never fixed, and today's assumptions about global dominance may look very different in the future.

**Share of Global Market Capitalization, Select Geographies**



Source: World Bank Data, World Federation of Exchanges Database, updated to the start of 2025; some analyses use up-to-date FTSE index data as a proxy, showing greater U.S. share.

TAX SEASON IS HERE AGAIN

## When It May Pay to Defer Deductions

Tax season is here again. Most taxpayers are eager to maximize deductions to minimize the taxes they pay. However, careful attention to tax planning may mean doing the opposite. In some situations, it may be beneficial to defer making deductions to achieve a greater future tax benefit. Here are some perspectives:

**Registered Retirement Savings Plan (RRSP)** — There may be situations in which delaying your RRSP deduction makes sense. If you expect that you will be in a higher tax bracket in future years, you can make a contribution up to your limit but not take the RRSP deduction in the year of contribution and, instead, carry that amount (or a portion of it) forward. Or, you can defer contributing until the year when you anticipate being in the higher tax bracket to maximize the taxes saved. Unused RRSP tax deductions can be carried forward indefinitely.

**First Home Savings Account (FHSA)** — Similar to the RRSP, if you have opened and contributed to a FHSA, you can carry forward undeducted contributions to a later year — and, generally, even beyond the FHSA's closure. This may be beneficial for younger folks who might expect to be in a higher tax bracket in future years.

**Charitable Donations** — Eligible donations don't have to be claimed in the year made and can be carried forward and claimed within the next five years. The federal tax credit has two tiers: 14.5 percent (for 2025, or 14 percent for 2026) on the first \$200; 29 percent on amounts above \$200 (33 percent if taxable income is in the highest tax bracket), with additional provincial credits. If you make smaller donations over different years, it may be beneficial to delay a claim and combine donations together to maximize the amount that generates the higher tax credit. As well, spouses may be able to claim each other's unused charitable donations (including carried-forward

amounts) from previous years to optimize the tax credit.

**Capital Losses** — If an investment is sold for less than its adjusted cost base in a non-registered account, the loss may be recorded as a capital loss. Net capital losses can be carried back three years or forward indefinitely to offset taxable capital gains. You can choose to apply them in a year when you have larger gains or a higher income to maximize the tax benefit.

**Medical Expenses** — Eligible medical expenses may be claimed as a federal non-refundable tax credit once they exceed a threshold. The claimable amount is the portion of expenses above the lesser of 3 percent of net income or \$2,834 (for the 2025 tax year). Provincial or territorial medical expense tax credits also apply. Medical expenses do not need to be based on the calendar year and may be claimed for any 12-month period ending in the tax year (provided they were not claimed previously). Therefore, it may be beneficial to delay claiming expenses if doing so allows you to include them in a 12-month period that produces a larger claim.

**Tuition Tax Credit** — Many students don't use their tuition tax credit to reduce taxes because they have limited income at school. Up to \$5,000 of unused tuition amounts can be transferred to a spouse, common-law partner, parent or grandparent. Any remaining amount can be carried forward indefinitely to future years. However, once a student has federal tax payable, they must generally use available carried-forward tuition amounts to reduce that tax before claiming certain other non-refundable credits.



INFLATION &amp; AFFORDABILITY CHALLENGES

## Canada: "Food Inflation Capital" of the G7

It may be difficult to recall a time when a litre of gas was 52 cents and a carton of eggs was just \$1.64. That was 30 years ago. Fast forward to today, and Canada has now earned the title of "*food inflation capital*" of the G7 (Group of Seven advanced economies), with food prices rising by 6.2 percent in 2025 alone.<sup>1</sup> In response, Prime Minister Carney recently introduced the Canada Groceries and Essentials Benefit (CGEB) rebate (an expansion of the existing GST/HST rebate) targeted at low-income earners.

While the Consumer Price Index (CPI), the federal government's official measure of inflation, suggests average prices have risen roughly 88 percent over three decades, your grocery bills likely tell a very different story (chart). Inflation becomes especially troubling when incomes fail to keep up. For a growing portion of the population, this is a reality. When expenses, especially those like education and housing, become harder to afford, the impact is not just financial; it can influence confidence in economic opportunity and heighten social divides.

While affordability has come under increasing pressure, long-term investment performance paints a more encouraging picture. Throughout the same period, investors have seen the S&P/TSX Composite Index rise more than 573 percent, even before accounting for reinvested dividends. That growth has outpaced the price increases across every category on the chart, including average home prices during a prolonged housing boom.

Of course, those gains did not come without volatility, including four bear markets spanning a combined 40 months, two of which

### Changes in (Nominal) Prices of Select Items: 1995 & 2025

	1995	2025	Change
<b>Ground Beef (1 kg)<sup>1</sup></b>	\$3.80	\$15.54	+309%
<b>Chicken (1 kg, breast)<sup>1</sup></b>	\$3.75	\$15.19	+305%
<b>Eggs (1 dozen)<sup>1</sup></b>	\$1.64	\$4.74	+189%
<b>Coffee, Roasted (300 g)<sup>1</sup></b>	\$3.86	\$8.25	+114%
<b>Oranges (1 kg)<sup>1</sup></b>	\$2.30	\$4.46	+94%
<b>Unleaded Gas (Reg, c/L)<sup>2</sup></b>	50.2	137.0	+173%
<b>Consumer Price Index<sup>3</sup></b>	88.01	165.4	+88%
<b>University Tuition<sup>4</sup></b>	\$2,384	\$7,734	+224%
<b>Cdn. Family Income (Median)<sup>5</sup></b>	\$41,343	\$130,120	+215%
<b>CMHC Median Home Price<sup>6</sup></b>	\$170,000	\$740,000	+335%
<b>S&amp;P/TSX Composite Index<sup>7</sup></b>	4,661.18	31,382.80	+573%

1. Statistics Canada (StatCan) T-18-10-0002-01 (November 1995 data); Table: 18-10-0245-02 (November 2025 data); 2. StatCan T-18-10-0001-01 (November 1995 & 2025 data, Toronto); 3. <https://www.bankofcanada.ca/rates/price-indexes/cpi/>; 4. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710004501>; 5. <https://open.canada.ca/data/en/dataset/cf5a0c30-8893-11e0-b0f5-6cf049291510>; StatCan T-1110019101; for 2025 data, \$121,000 (2023), with 3.6% (2024) & 3.8% (2025) wage growth assumptions; 6. CMHC New Build Median Price; <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research>; 7. At close 11/30/95 and 11/28/25.

saw declines of more than 45 percent. Still, for those who stayed the course, equities have proven to be one of the most effective tools for building wealth and offsetting inflation over the long run. If history is any guide, that's encouraging news for long-term investors looking ahead to the next 30 years.

1. [www.theglobeandmail.com/business/article-food-inflation-retail-decoder/](http://www.theglobeandmail.com/business/article-food-inflation-retail-decoder/)

## The RRSP/RRIF Exit Strategy: Joint Last-to-Die Insurance

Many of us spend years contributing to our Registered Retirement Savings Plan (RRSP) to take advantage of the tax-deferred growth opportunity. Yet we may forget to plan our exit strategy: how and when that money will be withdrawn in the future.

The issue? Every dollar withdrawn from the RRSP is subject to tax as regular income. While postponing withdrawals until retirement is often beneficial, because in many cases the individual will be in a lower marginal tax bracket, waiting too long can create other issues. By age 71, the RRSP would likely be converted to a Registered Retirement Income Fund (RRIF), forcing the planholder to withdraw specified percentages of the RRIF, whether funds are needed or not. In addition, leaving significant RRSP/RRIF funds to beneficiaries at death can result in a substantial tax liability. If there is no qualified rollover beneficiary, the full value is included in the deceased's final tax return, which, for many high-net-worth (HNW) investors, can be taxed at the highest marginal rate.

### Couples: Joint Last-to-Die Insurance as a Solution

If RRSP/RRIF funds aren't needed as income in retirement, using joint last-to-die insurance may be a solution. It allows you to reposition assets during your lifetime, while preserving estate value through tax-free insurance proceeds. Withdrawals from a RRSP/RRIF are taken over time to fund the insurance policy, which may be subject to relatively lower marginal tax rates compared to taxes at death. The life insurance policy helps preserve the after-tax estate value for beneficiaries by replacing assets withdrawn and taxed during retirement.

### How Does It Work?

Consider the situation in which a couple is planning to leave their estate to their children. Each spouse can designate the other as the beneficiary of their own RRSPs and purchase joint last-to-die life insurance with the children as beneficiaries of the insurance policy.

At retirement, withdrawals from the RRSP or, later, the minimum RRIF withdrawals, can be used to pay the insurance premiums. By making use of the spousal rollover provision available, there will generally be no RRSP/RRIF-related taxes due on the death of the first spouse, as the RRSP/RRIF will transfer to the other spouse without tax implications. Upon the death of the surviving spouse, insurance proceeds will be generally paid out tax-free to the beneficiary(ies).

This strategy may help manage or reduce overall lifetime and estate tax exposure in certain situations. In many cases, joint last-to-die life insurance can help preserve or enhance the value of an estate. In provinces where estate administration tax (or probate) is assessed, there may be additional savings as life insurance proceeds bypass the estate.

The proceeds paid out from the joint last-to-die life insurance policy can be designated to offset future tax liabilities. For example,



### Insurance: Strategic Estate Planning for HNW Families

Here are just a handful of ways insurance can help to support estate planning for high-net-worth estates:

- Provides tax-free liquidity at death
- Funds taxes triggered at death to avoid forced liquidation of illiquid assets such as a family cottage, farm or business
- Supports equalization among multiple heirs
- Reduces probate/estate administration fees (in provinces/territories where applicable)
- Supports multigenerational wealth longevity planning (e.g., cascading life insurance)
- Enables legacy planning through charitable giving
- Facilitates business succession, such as by providing liquidity or potentially leveraging the Capital Dividend Account (CDA) to distribute death benefits on a tax-advantaged basis to shareholders (where available)

the insurance policy proceeds can cover taxes arising from the deemed disposition of capital assets, without requiring the liquidation of the estate assets to fund the tax liability. Alternatively, proceeds can be used to create a legacy by naming a charity as the designated beneficiary.

The joint last-to-die policy is often more cost-effective than the purchase of two individual single life policies since the insurance company does not plan to pay out the proceeds until further into the future, and it will only need to pay this out on one policy rather than two.

Determining if life insurance can play a role in your estate plan will depend on your circumstances and your future goals. Given our familiarity with your investments, we would be pleased to provide perspectives on this, or other insurance-related matters.

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