



HARBOURFRONT
WEALTH MANAGEMENT

GILMAN | DETERS
PRIVATE WEALTH

DARING to DISRUPT

Bespoke advice that transcends the mainstream approach to wealth management

Personal Newsletter from Nicole Deters, Harbourfront Wealth Management – Gilman Deters Private Wealth

SUMMER 2026



Nicole M. Deters
Senior Investment Advisor

Wealth Team Members

David J. Gilman
Senior Portfolio Manager

Thomas A. Gilman
Portfolio Manager

John McCracken
Investment Advisor

Ona Thorington
Administrative Associate

Melanie Oldale
Receptionist

Gilman Deters Private Wealth Courtenay Office

100 – 1978 Cliffe Avenue
Courtenay, BC V9N 2L1

✉ reception@nicoledeterswealth.com

🌐 gilmandetersprivatewealth.com

🌐 Nicole M. Deters

🌐 Gilman Deters Private Wealth

Accelerating Market Moves: A Permanent Shift?

One of the peculiar, yet defining, characteristics of equity markets is their ability to consistently confound short-term forecasts. We often see upward market movements, even when the overall environment has a broadly negative backdrop.

Thus it was that by early April, markets quickly reversed their course. In fact, the move was reportedly one of the fastest recoveries on record: after the S&P 500 declined by roughly 10 percent by the end of March, it took just 11 trading sessions to fully regain those losses, despite elevated geopolitical tensions and continued conflict in the Middle East. Why the apparent contradiction?

The answer, of course, is that financial markets look primarily to the future, discounting values back to the present, and often not focusing unduly on current events. Equity valuation continues to be anchored in corporate earnings, and investors have been encouraged by the solid earnings reports from the spring, particularly from the tech sector, which had been pressured earlier in the year due to elevated capital spending.

While market cycles have always exhibited swings in sentiment, sometimes more rapidly than others, the pronounced pace of recent developments has raised questions about whether these movements are becoming more abrupt.

Indeed, technology has caused things to move more quickly, automating and accelerating transaction speed, while enabling near-instant dissemination of information. Market participants now operate in an environment where data is transmitted and absorbed in seconds rather than hours or days.

At the same time, demand-side dynamics have shifted. Investing has become democratized, reflected in broader market participation. Lower-cost investment vehicles and expanded access have enabled portfolio construction previously reserved for high-net-worth investors. This has also influenced investor behaviour. The average holding period for equities, once spanning years, is now measured in months. Meanwhile, even as total market values have risen, the capital sitting on the sidelines has grown. In the U.S., money market funds have doubled to around \$8.2 trillion in just five years, from their \$4 trillion pandemic levels.¹

However, the shift is not solely demand-driven; supply dynamics have also shifted meaningfully. Many may not realize that the public company universe has contracted as private markets have expanded. U.S.-listed companies have halved from about 8,000 in 1997 to 4,000 today.² Yet global market capitalization has expanded from around \$50 trillion in 2011 to over \$140 trillion today, driven by the rise of the dominant publicly-traded U.S. and Asian corporates.³

Do these changes imply a permanent regime shift, where volatility cycles become structurally shorter and sharper? These developments suggest structural change — yet every financial cycle differs from those that come before. New “rules” are continually introduced across economic, demographic and geopolitical dimensions. The world is certainly a different place than it was 10 or 20 years ago. The pace of change may be accelerating, but the investing focus remains the same. For long-term investors, seasoned sailors offer a useful reminder: keep your eye on the horizon, rather than the waves.

1. www.apolloacademy.com/understanding-demand-for-treasuries-and-why-the-yield-curve-is-steepening/; 2. <https://data.worldbank.org/indicator/CM.MKT.LDOM.NO?locations=US>; 3. https://en.wikipedia.org/wiki/Market_capitalization

In This Issue

- Intergenerational Wealth Planning & FHSA
- Downsizing a Home: Fewer Making the Move
- Why Staying Invested Matters
- What Is Behind Equity Market Advances?

Intergenerational Wealth Planning: Integrate the FHSA Into Your Plan

As the saying goes, “Give a man a fish, and you feed him for a day; teach a man to fish, and you feed him for a lifetime.” Last year, 35 percent of homebuyers received down-payment gifts averaging \$74,570, while first-time buyers in markets like Vancouver received around \$208,000.¹ While meaningful to help buyers enter the market, other approaches may better build long-term financial habits.

From an intergenerational wealth planning perspective, a more structured way to provide support may be to direct funds toward a child’s First Home Savings Account (FHSA). Eligible Canadian residents aged 18* and older can contribute up to \$8,000 per year, to a lifetime maximum of \$40,000. Contributions are tax-deductible, similar to an RRSP, with qualifying withdrawals tax free, similar to a TFSA. The FHSA can generally remain open for 15 years (or the year following a qualifying withdrawal). If opened at age 18, it could remain open until around age 33, when many Canadians prepare to buy their first home.²

How does the FHSA help build the next generation’s financial skills?

Encourages investing behaviour and enables compounded growth —

The FHSA provides meaningful tax-free growth potential. For example, if contributions are maximized from the outset, at an annual return of 5.5 percent, it could grow to \$80,461 after 15 years (chart). This can then be withdrawn completely tax free for a qualifying first home purchase, in addition to the tax deductions received on contributions.

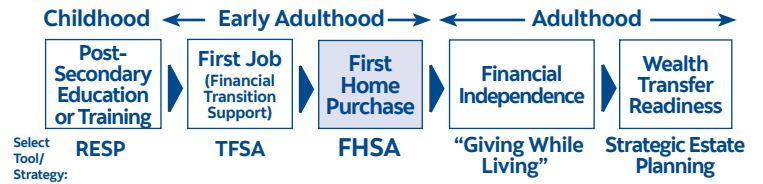
Supports structured saving toward a substantial down payment —

A first-time home buyer who holds the FHSA can also access the Home Buyers’ Plan (HBP) through their RRSP. The HBP allows

A Reminder: FHSA Potential Growth at 5.5% Annual Return

Year	Contribution	End of Year
1	\$8,000	\$8,440
2	\$8,000	\$17,344
3	\$8,000	\$26,738
4	\$8,000	\$36,649
5	\$8,000	\$47,104
...10	--	\$61,564
...15	--	\$80,461

Illustrative: A Lifecycle of Intergenerational Support



For many HNW investors, planning often begins with education savings and the Registered Education Savings Plan. As children reach adulthood, families turn to the next milestone: the first home. The FHSA may be a natural step in intergenerational support.

withdrawals of up to \$60,000, subject to available funds and repayment rules. Together, these tools can help establish a structured approach to saving for homeownership. Using the previous example, this could result in over \$140,000 available for a down payment.

Introduces tax-planning awareness over time — The tax deduction does not need to be claimed in the year contributions are made and can be carried forward to future years, even after the account is closed. This creates an opportunity to develop longer-term tax-planning discipline, helping align contributions and deductions with future income levels and resulting in greater tax savings.

Provides flexibility if plans change — While the FHSA is designed to support the purchase of a first home, if a qualifying purchase is not made within 15 years, the balance can be transferred to an RRSP/RRIF without affecting RRSP contribution room. Non-qualifying withdrawals are subject to withholding tax and are considered taxable income.

To learn more about how the FHSA can be integrated into your intergenerational wealth plan, please call.

*Or age 19, depending on age of majority. 1. cmhc.ca/2025MCS; www.forbes.com/advisor/ca/mortgages/gifted-down-payment/; 2. In 2021, the average first-time home buyer age was 33; today, it’s around 40.

Aftermath of Major Geopolitical Events: Why Staying Invested Matters

When markets rebounded in April, it was one of the fastest V-shaped recoveries on record (chart). It was a reminder that exiting during periods of strain can be costly. In brief, here are some reasons why:

1. Markets often reprice faster than underlying economic or geopolitical realities evolve.

Equity markets can adjust quickly to new information, while macroeconomic and geopolitical conditions may evolve over longer horizons.

This mismatch can make market moves feel disconnected from fundamentals, as markets are inherently forward-looking.

S&P 500 Days to Recover a 10 Percent Loss

	Period	Days to Recover
Dot-Com Crash	2000	1,166
Global Financial Crisis	2008	1,021
EU Debt Crisis	2011–2012	99
China Yuan Devaluation	2015	103
Interest Rate Hike Fears	2018	137
U.S.-China Trade War	2018	81
COVID-19 Pandemic	2020	103
Interest Rate Hikes	2022–2023	318
Liberation Day Tariffs	2025	55
Iran Conflict*	2026	11

*Iran conflict was a 9.1% decline. Source: J.P Morgan, Bloomberg. “Why are stocks at record highs with no Iran resolution?” 4/24/26.

2. Historically, some of the best-performing market days occurred shortly after the worst.

Missing even a small number of those days can materially affect long-term returns, and re-entering the market at higher levels can often prove psychologically difficult.



3. Disruptive events are more common than we may recognize.

Geopolitical, economic and financial shocks are a recurring feature rather than the exception. On average, major disruptions occur roughly every two years. Given this frequency, waiting for clarity before investing can mean more time on the sidelines than in the market.

More broadly, history shows that markets have repeatedly absorbed geopolitical shocks and other periods of stress, ultimately recovering and resuming their upward trajectory. Accordingly, staying committed to a long-term investment plan can be one of the best actions investors can take.

Downsizing a Home — Why Fewer People Are Making the Move

A recent *Globe and Mail* article suggested that the best time to plan to downsize is “when you’re still excited about what comes next.”¹ The argument is straightforward: it’s better to decide on your own terms, before health issues or practical limitations force a decision. Waiting too long can mean the choice is driven by necessity rather than preference, often under pressure from family or advisors.

Those who successfully transition tend to act proactively, motivated by what their next home offers, whether it’s simplicity, convenience or a better lifestyle fit. Downsizing can also provide financial advantages by unlocking home equity and reshaping both financial position and lifestyle. A smaller home typically reduces maintenance, utilities and property tax bills, while freeing capital for other priorities.

Yet fewer people are choosing to downsize. Many prefer to remain in their homes as long as possible. A recent survey found that among those over age 50, only 11 percent had a desire to downsize.¹

This shift reflects broader changes in housing economics and retirement planning. In the past, more homeowners expected to use real estate as a retirement resource. Today, that assumption is less common. Longer life expectancy, improved health in later years and higher overall wealth have contributed to a greater ability to remain in place. At the same time, the rising costs of seniors’ housing can reduce the net financial benefit of downsizing, limiting the equity released in practice. Several other factors may also influence the decision:

Emotional impact. Downsizing is not purely financial. Long-time homes are often tied to memory, routine and identity — factors that can delay decisions long after the financial case is clear.

The cost of moving. Selling expenses, including legal fees and commissions, can account for a meaningful portion of proceeds.

Preparing a home for sale (e.g., staging, repairs) adds further expense, as do moving costs and updates needed to settle into a new property. The process itself can also create administrative complexity.



Market uncertainty. Limited inventory has made it difficult to find a suitable property for some, while market price fluctuations can affect what a sale will ultimately yield. In many markets, prices have shifted from their highs.

Trade-offs in housing flexibility. Moving to a rental or community setting may reduce maintenance responsibilities, but can introduce uncertainty around lease terms, fees or future cost increases. Ownership typically provides greater control and predictability.

However, as life circumstances evolve, including changes in health or mobility, the question often shifts from whether downsizing is financially optimal to whether current housing still fits day-to-day life.

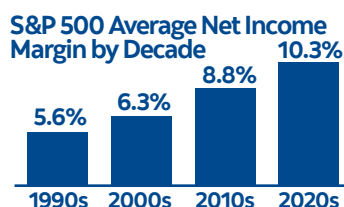
This is why early exploration is recommended, before the decision becomes forced by circumstances. It helps to avoid rushed decisions. Spending time in a potential new location across different seasons can help clarify lifestyle fit. In the case of condominiums, reviewing bylaws and restrictions, such as pet rules or renovation limits, well ahead of time can materially affect the decision.

Ultimately, downsizing may be less about finances alone than aligning housing with changing priorities. And, while the home may become smaller, the opportunities can expand in meaningful ways.

1. <https://www.theglobeandmail.com/investing/personal-finance/article-what-is-the-right-age-to-downsize-your-home-its-all-about-timing/>

The 30,000 Foot View: What Is Behind the Equity Market Advances?

What has driven equity market advances? It’s worth repeating: Over longer horizons, one of the key drivers of equity returns is corporate earnings. Viewed over time, profitability has not just held up; it has expanded. U.S. corporate margins have continued to rise, with average S&P 500 net income margins this decade exceeding 10 percent, roughly double the levels



Source: <https://awealthofcommonsense.com/2025/09/why-is-the-stock-market-up-so-much-in-the-2020s/>

Canada Corporate Profits, 1970 to 2025



Aggregate corporation profits before taxes, X \$1,000,000,000

Source: StatsCan T:36-10-0125-01

seen in the 1990s. Canadian corporate profits have seen a similar trajectory, though aggregate profits have been more sensitive to commodity prices — a reminder that growth in economies and markets is rarely linear.

Of course, earnings growth alone doesn’t guarantee strong equity returns. Consider that in the 1970s, an era of high inflation and high unemployment driven by the 1973 oil embargo, earnings growth was strong (+9.9%), yet elevated inflation and weak valuation multiples kept equity returns subdued (see chart).

Beyond earnings, changes in valuation, driven by interest rates, inflation expectations and investor risk appetite, can significantly amplify or offset underlying trends. Liquidity conditions and central bank policy also play a role in shaping how much investors are willing to pay for a given stream of earnings. Nevertheless, earnings remain the foundational driver of long-term equity performance and a key anchor for continuing market strength.

S&P 500 Key Drivers of Stock Market Performance

Decade	Dividends	Earnings Growth	P/E Change	Annual Returns
1970s	3.5%	9.9%	-7.5%	5.9%
1980s	5.2%	4.4%	7.7%	17.3%
1990s	3.2%	7.4%	7.2%	17.8%
2000s	1.2%	0.8%	-3.2%	-1.2%
2010s	2.0%	10.6%	1.0%	13.6%
2020s	1.5%	9.0%	3.9%	14.4%

Select drivers of equity returns include dividend yield, earnings growth and speculative return or changes in valuations (price/earnings (P/E) change)

Source: <https://awealthofcommonsense.com/2025/10/animal-spirits-why-retail-is-outperforming/>

Technological Inflection Points: We've Been Here Before

Is artificial intelligence (AI) coming for your job? According to *The Economist*, one in three people believe AI is set to cause widespread job losses, while seven out of 10 believe it will make it harder for people to find work.

Beyond the geopolitical conflict dominating headlines, the “AI job-apocalypse” has become a common narrative. It doesn't help that the unemployment rate has been creeping upward, and that many recent college and university graduates are struggling to find work.

Of course, there's no doubt that AI improves productivity. A recent paper from Stanford University examined how large language model tools (generative AI systems known as LLMs) are already significantly improving productivity across a range of knowledge-based tasks. The results are striking. In every common work task that was studied, generative AI reduced completion time by at least half, and in most cases by around 70 to 75 percent (chart below). The study also found that LLM adoption among U.S. workers rose significantly from 30.1 percent as of December 2024 to 38.3 percent as of December 2025.¹

Given the proven capabilities and rapid advancement of AI, it will undoubtedly eliminate

How Many Minutes Does AI Save? Select Work Tasks¹

Task	Time With AI	Time Without	% Change
Operations Analysis	31	98	-68%
Systems Analysis	31	87	-64%
Programming	33	129	-74%
Technology Design	39	142	-73%
Equipment Maintenance	34	124	-73%
Personnel Management	32	103	-69%

some tasks and compress certain roles. There is evidence that this may already be happening.²

However, the notion that AI will imminently create permanent, widespread unemployment might be exaggerated.

Historically, productivity gains have often expanded economic activity rather than contracting it, creating new industries, new demand and ultimately new forms of employment. A related dynamic is seen in the Jevons Paradox: efficiency gains lower costs, which tends to increase overall consumption rather than reduce it.

William Jevons observed this phenomenon in the 19th century when efficiency improvements led to greater overall coal consumption, not less.

We've been here before. In 1951, when IBM introduced its electronic calculator, it was promoted as capable of replacing 150 engineers. Yet, 75 years later, engineers remain indispensable. Every major platform shift arrives with the familiar promise and worry: more output, fewer people, instant transformation. In recent decades, similar fears surrounded radiologists, telemarketers and travel agents. In practice, technology augmented these professions rather than eliminating them outright.

Then there are the jobs that do not yet exist. One study suggests that technology has facilitated the creation of new occupations that now employ 60 percent of workers today (graph above).

Indeed, the labour market will evolve, as it always has when transformative technologies emerge. But worries of widespread and permanent unemployment may ultimately prove to be a short-sighted view of the world ahead.

U.S. Employment in 2022: Innovation Leads to the Creation of New Occupations³



1. https://papers.ssm.com/sol3/papers.cfm?abstract_id=5136877; 2. <https://fortune.com/2026/04/06/ai-tech-displacement-effect-gen-z-16000-jobs-per-month/>; 3. <https://www.gspublishing.com/content/research/en/reports/2023/03/27/d64e052b-0f6e-45d7-967b-d7be35fabd16.html>



With the Compliments of...

Nicole M. Deters
Senior Investment Advisor
ndeters@harbourfrontwealth.com

Gilman Deters Private Wealth
Harbourfront Wealth Management
Courtenay Office
100 – 1978 Cliffe Avenue
Courtenay, BC V9N 2L1
Phone: 250.338.0726 Toll Free: 1.877.338.6066

- reception@nicoleeterswealth.com
- gilmandetersprivatewealth.com
- Nicole M. Deters
- Gilman Deters Private Wealth

Please note that comments included in this publication are not intended to be a definitive analysis of tax law. The comments contained herein are general in nature and professional advice regarding an individual's particular tax position should be obtained in respect of any person's specific circumstances. This newsletter has been prepared in collaboration with J. Hirasawa & Associates and may not reflect the views of Harbourfront Wealth Management. This information transmitted is intended to provide general guidance on matters of interest for the personal use of the reader who accepts full responsibility for its use and is not to be considered a definitive analysis of the law and factual situation of any particular individual or entity. As such, it should not be used as a substitute for consultation with a professional accounting, tax, legal or other professional advisor. Laws and regulations are continually changing, and their application and impact can vary widely based on the specific facts involved and will vary based on the particular situation of an individual or entity. Prior to making any decision or taking any action, you should consult with a professional advisor. The information is provided with the understanding that Harbourfront Wealth Management is not herein engaged in rendering legal, accounting, tax or other professional advice. While we have made every attempt to ensure the information contained in this document is reliable, Harbourfront Wealth Management is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information is provided "as is," with no guarantee of completeness, accuracy, timeliness or as to the outcome to be obtained from the use of this information, and is without warranty of any kind, express or implied. The opinions expressed herein do not necessarily reflect those of Harbourfront Wealth Management Inc. The particulars contained herein were obtained from sources we believe to be reliable but are not guaranteed by us and may be incomplete. The opinions expressed are not to be construed as a solicitation or offer to buy or sell any securities mentioned herein. Harbourfront or any of its connected or related parties may act as financial advisor or fiscal agent for certain companies mentioned herein and may receive remuneration for its services. Harbourfront Wealth Management Inc. ("Harbourfront") has relationships with related and/or connected issuers, which may include the securities or funds discussed in this commentary and are disclosed in our Statement of Policies Regarding Related and Connected Issuers. This policy is included in your new client package, on our website, or can be obtained from your investment advisor on request.