

RealGrowth Investment Counsel

SINCE 1981

FEBRUARY 2026

Our Current Stance

Equities: The globalization of investing is a powerful incentive for corporations to standardize the conditions of equity ownership. The Organization for Economic Cooperation and Development (OECD), along with other global associations, operates on the assumption that improving corporate governance improves a country's economic efficiency. This is because it encourages investor confidence and capital inflow into the country.

It is the same in a corporate governance system that provides proper incentives for the company's board and management to pursue objectives that are in the interests of the company and its shareholders. It should also facilitate effective monitoring and encourage good governance. Countries are the same. If they want to sell their debt to others, those buying the debts as investments have to be confident in the actions of that country. If the United States continues down the road of alienating their friends that does not bode well for how much they will ultimately have to pay to borrow money.

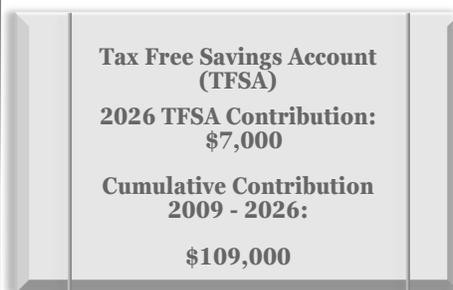
You are probably asking by now, what has the above to do with the markets. We view the world from a top-down perspective. The above comments should absolutely apply to government governance as well. The West, in particularly the United States, has moved away from promoting "investor confidence."

The United States foreign policies which we believe are designed to maintain their hegemony, may have backfired. Europe and South America are not able to withstand the power of the U.S., however, the East and the BRICS block have

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Month In Review

TO OUR CLIENTS: Your portfolios have remained remarkably tenacious after an exceptionally strong year in 2025. Performance numbers have, to date, been impressive and we believe this trend should hold up well in 2026. This is primarily due to continued strength in precious metals, utilities, agricultural manufacturing and energy.



Despite continued uncertainty surrounding the fallout from Trump's unpredictable and illegal tariff policy (geopolitical instability), expected higher inflation and recession fears (stagflation), we remain optimistic for the rest of the year. We believe our current asset allo-

cation should continue to benefit from that scenario, and perform better under this increasingly volatile global landscape. As such, we will continue to maintain our asset allocation with a focus on targeted diversification and a long-term, disciplined approach that we believe will protect your portfolios and provide growth.

I've noticed a distinct shift in market psychology during my conversations with other wealth management firms and various financial articles. The conversations have clearly moved away from offense (seeking price targets and profit) to defense (fearing confiscation and financial repression).

After decades, the dialog is no longer around asking how to make money, but rather how to keep it.

We agree and, as such, believe more than ever that maintaining our Core Positions are critical to

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CLOSING STOCK MARKET AVERAGES AS AT MONTH END

	01/30/2026	12/31/2025	Change (1 Month)	Change (Dec 31/25)
Dow Jones Industrial Average (DJ)(DJ)	48,892.47	48,063.29	1.73%	1.73%
Standard & Poor's 500	6,939.03	6,845.50	1.37%	1.37%
NASDAQ	23,461.82	23,241.99	0.95%	0.95%
Toronto Stock Exchange	31,923.50	31,712.80	0.66%	0.66%
London (FT100)	10,223.50	9,931.40	2.94%	2.94%
U.S. \$/CDN \$	0.7412	0.7302	1.51%	1.51%
Euro/CDN \$	0.6195	0.6217	-0.37%	-0.37%
Gas	4.35	3.69	18.12%	18.12%
Oil (West Texas Inter)	65.21	57.95	12.53%	12.53%
Gold	4,713.90	4,370.10	7.87%	7.87%

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come a long way. They may be at a point where capital has gained enough confidence to move towards them and away from the West. That is the opposite of what the United States was trying to accomplish.

We do not think the United States has stopped trying and may unfortunately double down on their rhetoric and tariffs and geopolitical threats. Now we don't say any of this with an agenda. We are only attempting to figure out where to make money in the markets.

It seems clear to us, and the handwriting has been on the wall for over a decade, that the Achilles' Heel of the U.S. is the vulnerability of their past control of the world's reserve currency. Their ability to print wealth and power. If that wanes any further, capital will flow more energetically to the East and possibly elsewhere.

With that very real possibility, we are maintaining our core positions in gold equities, oil and gas and infrastructure and partially regulated utilities.

INFLATION: A historical opportunity is underway, in the form of a global paradigm shift away from overvalued paper assets towards undervalued hard assets. It may be the largest global financial paradigm shift the modern world has ever seen. And therefore, one of the biggest opportunities.

The pushed narrative is that big inflation is done. Not by a "country mile."

FIAT CURRENCIES: Every country is borrowing from every country. One "might" wonder, if everyone is borrowing, who is lending? In world markets, there are always folks with money that are willing to lend, but this comes with a cost to the borrowers. The lenders are not,

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preserving the real value of our portfolios.

DEBT AND THE ECONOMY: Western government debts, in particular the United States, have surpassed levels that can be paid back with normal growth. There is a great deal of talk about how investment and advancements in Artificial Intelligence will make the economy productive enough that the Federal Reserves can print their way out, without causing inflation. We are not so sure. Productivity may improve, as all new technologies have contributed to advancing the economy in the past, however, not enough to save the Federal Reserve's inevitable tough decisions between employment and inflation.

Interestingly, looking at "real money," if we focus on silver and illustrating how silver derivatives on Comex and London are becoming irrelevant, we will get a glimpse of what is happening to world debts and the economic situation. This is because price discovery has moved away from the United States Comex to Shanghai, whose premiums are leading to physical metal being drained out of Comex and London vaults.

While gold is trading in line with Comex on the Shanghai Futures Exchange, at \$89.17 the silver contract was at a premium of over 13% to Comex at SHFE's close.

Putting all this evidence together, it is clear that not only is the market being set in Shanghai and not Comex, nor by implication London, but the price of silver on Comex is false. It is the price of disconnected

paper bearing diminishing relevance to physical metal. But so long as this distortion continues, there will be attempts to acquire physical silver and gold by buying futures and forwards at discounted prices with a view to taking delivery.

**First Home Savings Account
FHSA**

- 1) Annual contributions to an FHSA up to \$8,000, with a lifetime max. contribution of \$40,000.
- 2) Contributions can be claimed as a deduction against taxable income. Investments grow in the account without being subject to tax.
- 3) Income and withdrawals aren't taxable, if they are used for a home purchase. No repayment is required on withdrawals.
- 4) Withdrawals not made to purchase a qualifying home are taxable income. **HOWEVER**, if the clients decide to use the funds for something else, they can transfer the money to an RRSP or RRIF without affecting their contribution room.

By taking advantage of both the FHSA and the Home Buyers Plan (which allows to withdraw up to \$60,000 from an RRSP tax-free, the Client could save up to \$100,000 to use toward a first home, plus any growth in the FHSA.

Comex vaults have lost 30% of total silver stocks from early-October when London had a delivery panic driving lease-rates to nearly 40%. Physical liquidity can only be restored if Comex futures trade above Shanghai prices. Until then, they will continue to be drained.

This is not something that we can forecast, but it is prudent to be

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however, the governments. It is those who print money that are the borrowers and because of that two things will happen. Interest rates on the long-end will rise (they cannot be controlled) and importantly the value of fiat currencies will fall. It is the decline in the value of fiat currencies that contributes to the higher rates. The lender is all too aware of the declining value of their investment in a government's bonds and will dictate how much they want to be compensated for the loss of real purchasing power. The markets are all powerful and no amount of ice under the proverbial inflation barometer (global power conflicts and games) will convince them otherwise.

INTEREST RATES: Interest rates could be tricky going forward. The short-end of the maturity curve may stay down and even get lower. Typically, in a recession, interest rates would drop as there would be less demand to borrow money for investments and growth. However, regardless of whether there is a recession (and maybe because of it), interest rates on the long-end of the maturity may rise. The maturity curve would steepen. Unlike the typical government borrowing experience, the light switch may flip and under this scenario the government would become like a personal borrower, where due to the potential drop in tax revenues and unwillingness of foreigners to buy/support western debt, they would have to pay higher interest rates to attract lenders.

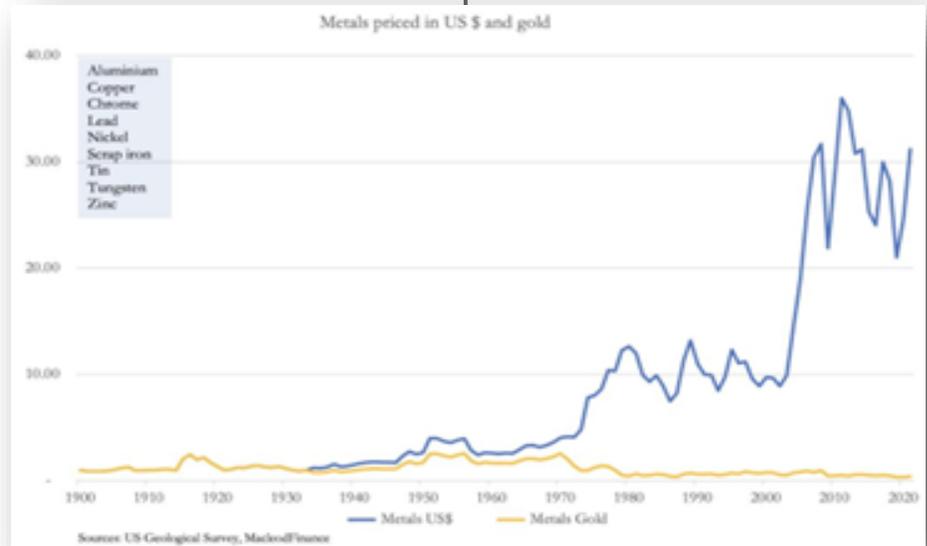
OIL AND GAS: Super Tanker Rates soar: Geopolitics, growing oil supply, longer voyages, and disruptions due to sanctions and altered shipping lanes pushed crude oil tanker rates to multi-year highs at the end of 2025.

After a dip in the beginning of the year, rates started climbing again this month in what shipping executives described as a

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wary. While dealers in derivatives will do anything to reduce their silver losses, their risk is that vault stocks will deplete even more rapidly. We appear to be seeing silver derivatives in the West becoming less and less relevant. It is a clear indication that Western Fiat currencies, and by default the ability to fund their deficits and debts, will be put to the test.

HOW TO MITIGATE WORLDWIDE FIAT CURRENCY DESTRUCTION:

In any price relationship involving a medium of exchange, there is an objective value and a subjective one. The objective value is always in the medium of exchange, and the subjective value is in the goods or services being exchanged. Put another way, the buyer and seller will both value money or its substitute the same, but the buyer values the goods or services more highly than the seller: otherwise, the exchange won't take place. But if gold is the money, we wonder, where does that leave a fiat currency?

The straight line, shown on the above graph, represents all metals priced in gold and the jagged line are all metals priced in U.S. dollars.

It is evident that priced in dollars, commodity and energy prices have risen multiple times, and with great volatility, while priced in gold they have been remarkably steady.

The point being made is that the approaching problems in paper gold contracts will almost certainly be transmitted into higher dollar prices for commodities generally, as paper hedging in the form of derivatives diminishes in relevance to world gross domestic product. The rise in values for gold and commodities generally is the same thing as a decline in the value of the dollar for the purpose of dealing in commodities. Foreign holders of dollars will be acutely aware of those consequences by increasingly discarding dollars to hoard commodities.

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fundamental shift in the market for very large crude carriers (VLCC) capable of carrying around 1.9 million barrels to 2.2 million barrels of crude.

This shift is in large part apparently due to a major buying spree from South Korea's Sinokor shipping group and Italian billionaire Gianluigi Aponte, founder of MSC Mediterranean Shipping Company, with shipping brokers, vessel owners, and executives.

"One-year charters have jumped by 20% over two months," Ole Hjertaker, chief executive officer of SFL Corporation, said on the shipping company's earnings call last week.

"I think one very important underlying factor here on the tanker side, which I would call almost unprecedented in the market, at least in the history I have seen, is that you have one party or group of people who are working together who effectively control around a third of the available or traded tanker VLCC fleets..." We believe they may be willing to hold back ships if they do not get the charter rates where they want them to be, which implicitly would give others confidence to hold back as well.

Looking forward, the tanker market now accounts for another major development on top of the various geopolitical and fundamental factors at play and we believe this will also affect oil prices and ultimately cause them to rise back to historical highs.

PRECIOUS METALS: Gold is money — everything else is credit!!! Gold bullion has continued its very strong rise, along with gold equities consolidation at their all-time high levels. However, both are still extremely undervalued. Astoundingly, when you adjust gold companies' valuations against today's gold bullion prices, aggregate capital commitments to that industry currently remain at one of the lowest levels in history.

POLITICAL SHORTS

Iran - Side Deals

The Epstein files are in the headlines one day and gone the next. The trade tariffs are one amount one day and another the next. The AI market stocks are darlings one day and gone the next. The Ukraine war is about to end with great deals which have then mysteriously disappeared the next. Canada, which is special, is trashed one day and, well, still trashed the next.

All the while Iran is being threatened by the U.S. with words and real Military (naval) might positioned in the seas close to Iran. And while that has been ongoing and getting more tense, the Iranian regime has apparently been making secret agreements with Russia to buy nearly 600 million dollars worth of weapons.

That was part of an agreement signed last December in Moscow, which obliges Russia to provide Iran with 500 portable Werba missile launchers and 2,500 9M336 missiles within 3 years. We suspect that is actually happening more quickly. This was from the Financial Times who reported citing Russian documents.

With all that fire power on Iran's doorstep the Americans say they are "perplexed as to why the Iranian regime hasn't capitulated" to American demands. It seems like Iran is biding their time to receive all that weaponry.

Recently, in reaction to Washington's threats, Tehran has warned that any action against its territory would be met with a "strong" response, and that all

U.S. military facilities and U.S. bases in the region could be considered targets.

We wonder, are the U.S. threats against Iran part of a long-standing foreign policy agenda to force a regime change in Iran, or is it merely a distraction guised in Western moral outrage?

How the markets react to events in the middle east will depend on what happens to the price of oil. No matter what anybody thinks about oil and its impact on the environment, the world continues to burn millions and millions of barrels of oil EVERY DAY. The world economy would literally stop turning without oil. At the worst, the straights of Hormuz would be shut and the world would be starved of energy to survive. If there is even a limited intervention by the U.S., oil prices would rise and that would add inflation into the world economic mix, causing interest rates to rise and the markets to fall.

If the U.S. backs down and shows weakness, the U.S. dollar will fall more precipitously and interest rates would probably rise as well.

The U.S. has placed itself in a precarious situation. We believe that any possible scenario will create more demand for our core market positions that will benefit from geopolitical discord and more inflation. We do not see any likely scenario where that doesn't happen.

RealGrowth Investment Counsel

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