TD Wealth

Wealth Insights

TD Wealth Private Investment Advice

Autumn 2026

Michael Peters
B.Comm., CIM®, FCSI®, CIWM
Senior Investment Advisor
250 717 8135 TF: 1 877 717 6465
michael.peters@td.com

In This Issue

To My Clients:

Escalating trade tensions toward the end of the summer are a reminder that these volatile exchanges are likely to persist. I am here to separate the signal from the noise. While certain sectors will be hit harder than others, TD economists estimate that current tariff changes will subtract less than 0.6 percentage points from GDP.[8] Continue to look ahead.

Thank you for your ongoing trust. Here's to the many bounties of the fall.

The 70s Are the New 50s

Welcome to the new longevity. We aren't just living longer; we are also extending the years in which we remain healthy, active and productive. A recent study found that a 70-year-old in 2022 had roughly the same cognitive ability as a 53-year-old in 2000.[1]

This shift is already having economic implications. Just a decade ago, many observers warned that retiring baby boomers would become a significant drag on economic growth as they left the workforce. Yet the opposite has occurred. Those aged 50 and older, now part of the so-called "longevity economy," accounted for just 24 percent of the global population in 2020 but contributed 34 percent of global GDP.[2] In the U.S., households headed by someone aged 50 or older now account for more than half of all consumer spending.[3]

And the demographic shift is only beginning. Canadian life expectancy is now around 82 years, while those reaching age 65 can expect to live to approximately 86.[4] Canada's centenarian population has more than tripled since 2000 and is projected to increase nearly tenfold over the next 50 years.[5]

These trends challenge some long-standing assumptions about retirement. If healthier lives extend into our 70s and beyond, the traditional progression from working years to retirement may become less defined. Indeed, the average working life has already increased from 34 to 38 years since 2000.[6] Some continue working out of necessity, while others choose to remain professionally active, pursue new ventures or transition gradually into retirement.

At the same time, longevity has become an expanding field of innovation and investment. Consider the $101 million global competition to find ways to extend *healthspan*: the number of years spent in good health.[7] Billions are being invested in research, technologies and therapies aimed at adding quality years, not simply more years, to life.

For wealth planning, the implications are significant. At age 60 or 65, a wealth plan may need to contemplate another 30 or even 40 years. The question, then, shifts from simply "*Do I have enough?*" to "*How do I optimize what I have to support a longer, healthier life?*"

As an advisor, my role is to help clients adapt their wealth plans as healthspans extend. This may involve considerations around retirement income, appropriate growth potential, registered account optimization, strategic decumulation and the timing of wealth transfers, while accounting for additional years of spending, inflation and potential health care costs.

Perhaps the biggest change is one of perspective. Retirement planning has traditionally focused on accumulating enough to reach retirement, then making those assets last. Our new longevity calls for a broader approach: creating a plan flexible enough to accommodate a longer and healthier life.

The good news? With a longer horizon comes greater possibilities.

1. www.imf.org/-/media/files/publications/weo/2025/april/english/ch2.pdf; 2. www.brookings.edu/articles/the-age-of-the-longevity-economy/; 3. www.aarp.org/money/personal-finance/longevity-economy-report-2026/; 4. StatCan, T: 13-10-0114-01; 5. www.cbc.ca/news/canada/british-columbia/canada-centenarians-fastest-growing-1.7246790; 6. www.goldmansachs.com/insights/articles/aging-population-not-a-risk-to-the-global-economy-after-all; 7. www.wsj.com/health/wellness/billionaires-longevity-health-04dd205c; 8. "Round Two," TD Market Insights, Wealth Investment Office, 8.25.26.

■ A Shift From Saving to Withdrawing

Back to School: Your RESP Withdrawal Questions Answered

With kids back in school, it is also the season for questions about Registered Education Savings Plan (RESP) withdrawals.

This may sound familiar: when children were young, you opened a RESP and began setting aside funds for their future education. Over the years, those contributions, together with government grants and investment growth, have helped build a meaningful source of education funding. Now, the focus shifts from saving to withdrawing. Perhaps you're asking: How can we withdraw them in the most effective way? Here are answers to some withdrawal questions:

1. What is taxable? It's important to distinguish between two types of RESP withdrawals for educational purposes. ***The educational assistance payment (EAP)*** consists of any income earned or grants accumulated in the plan and is taxable in the hands of the beneficiary attending a qualifying program. ***The post-secondary education (PSE) payment*** represents funds that the subscriber contributed and is not subject to tax. When you withdraw from the RESP, you need to specify the type of withdrawal you wish to make. Please call the office if you need help identifying each component.

2. How can RESP withdrawals be structured tax-efficiently? Students often don't have significant income, so it generally makes sense to prioritize EAPs when a beneficiary has a lower marginal tax rate. If they have meaningful income, perhaps from part-time employment, and expect lower income in future school years, it may make sense to defer a portion of the EAP. If the RESP is large, consider spreading EAPs over several years to reduce the potential tax liability in any one year since a student may be able to use non-refundable tax credits, including the basic personal amount and tuition tax credit, to offset some or all of the tax otherwise payable on EAP income. For 2026, the federal basic personal amount is $16,452.[1] Assuming average undergraduate tuition fees of $7,734,[2] a student with no other income could potentially receive $24,186 in EAPs without incurring federal income tax.*

The Cost of Education: How Canada Compares Globally
Average Canadian undergraduate tuition has risen to $7,360, up 653% since 1984! Keep in mind that it's still more affordable than international student tuition for the top universities globally:

Ranking	Tuition Cost (C$)	Ranking	Tuition Cost (C$)
1. Harvard, USA	$81,977	4. Cambridge, UK	$50,589
2. MIT,* USA	$88,873	5. Oxford, UK	$60,007
3. Stanford, USA	$93,600	13. Tokyo, Japan	$6,036

*Massachusetts Institute of Technology. Based on 2025 data, www.cwur.org; 2025/26 full-year undergraduate tuition (B.A.), international student. Exchange rate as at 8/16/25. Notably, Harvard and MIT recently expanded their financial aid programs to provide free undergraduate tuition to students whose families earn $200,000 or less per year, subject to family circumstances.

3. Should market conditions affect withdrawal timing? In volatile times, it may be prudent to wait for investment values to rebound. Yet tax and other considerations should also guide the timing. The basic personal amount must be used in the current tax year, while unused tuition credits can be carried forward. If the student has income, a larger EAP may result in a higher marginal tax rate. There may be risks to delaying withdrawals if the student does not complete their studies.

4. What happens if the beneficiary doesn't attend post-secondary school? While original contributions (PSEs) can be withdrawn without tax consequences, unused government grants may need to be repaid and accumulated investment income may be taxable to the subscriber and subject to additional tax. There may be an opportunity to transfer eligible funds to a sibling's RESP or transfer accumulated income to a subscriber's Registered Retirement Savings Plan (RRSP), subject to available contribution room, to a lifetime maximum of $50,000. Remember also that the RESP can stay open for up to 36 years in the event a beneficiary changes their mind.

1. Canada Revenue Agency; 2. StatCan Table: 37-10-0003-01; *Note that withdrawal limits may apply, particularly early in the program.

In Brief: Tax Planning Before Year-End

Despite rising living costs, the share of income spent on necessities has declined. In 1976, households spent about 43 percent on shelter, food and clothing. Today, this has fallen to around 35 percent. What has risen is the share paid in taxes. In 2025, the average family paid 43.1 percent in taxes.[1] Put differently, if taxes were paid upfront, the first 157 days' earnings would go entirely to the government!

This is why tax planning continues to be an important part of wealth planning. As we approach the final months of the year, here are a handful of actions, in brief, that may help improve your tax position:

■ **Split income.** This may include electing to split eligible pension income with a spouse or paying reasonable salaries to family members for services provided to your self-employed business.

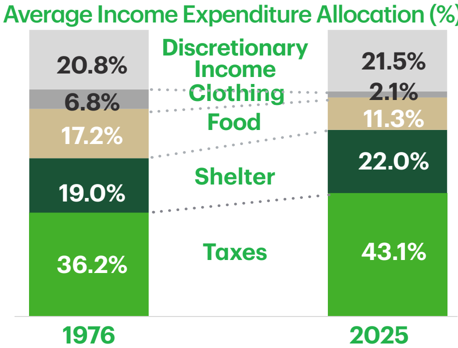
■ **Contribute to your RRSP.** You still have 60 days after the calendar year end to make contributions for the 2026 tax year, but the earlier you contribute, the greater opportunity for tax-deferred growth.

■ **Consider tax-loss harvesting.** Realize capital losses to offset capital gains (for more details, please see page 3).

■ **Give charitably.** Gifting publicly-traded securities to a registered charity may offer tax benefits, including potentially eliminating the capital gains tax liability on appreciated securities.

■ **Plan for the pension income tax credit.** If you're age 65 or older and don't have eligible pension income, consider opening a small Registered Retirement Income Fund (RRIF) or purchasing an annuity.

How Our Tax Liability Has Grown Since 1976
Average Income Expenditure Allocation (%)[1]



■ **Withdraw from the Tax-Free Savings Account (TFSA) before year-end.** If you plan to withdraw, consider doing so before year-end. Contribution room resets at the start of the calendar year, so withdrawals made after December 31, 2026, won't restore related contribution room until January 1, 2028.

■ **Make RESP contributions.** While it won't save tax, you may potentially benefit from the Canada Education Savings Grant (CESG) for 2026.

1. www.fraserinstitute.org/commentary/canadian-families-must-work-nearly-half-year-pay-taxes

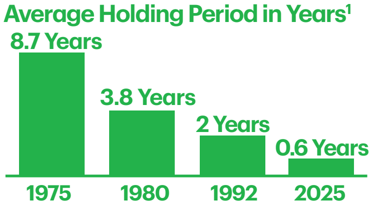
Equity Market Perspectives

How the Investing Landscape Has Changed Over Recent Decades

The investing landscape has changed dramatically over recent decades. Here are four ways:

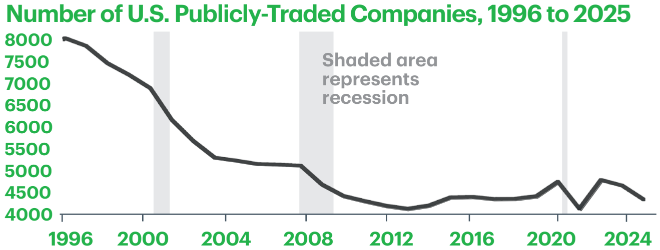
1. Average holding periods have fallen — The average equity holding period has fallen from over 8 years in the 1970s to just months today.[1] Automated exchanges have enabled high-frequency trading, while retail investors have become more active due to greater accessibility via online trading platforms.

Average Holding Period in Years[1]



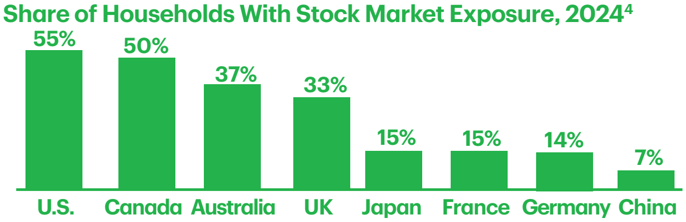
2. Public markets have shrunk — The number of publicly listed companies has declined by roughly 50 percent since the mid-1990s, largely in favour of private markets.[2]

Number of U.S. Publicly-Traded Companies, 1996 to 2025



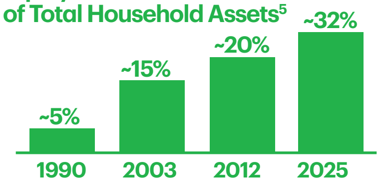
3. Equity market participation has grown — Lower barriers to entry have democratized participation. In 1983, only 13 percent of adults reported owning equities.[3] Today, Canada has the second-highest participation rate globally, at roughly 50 percent of households.[4]

Share of Households With Stock Market Exposure, 2024[4]



4. Equities represent a greater share of wealth — Canadian household wealth has seen new highs, driven by investment assets. As the saying goes, "*a rising tide lifts all boats*."

Equity & Investment Funds Share of Total Household Assets[5]



Taken together, these shifts raise important questions: how should markets behave in an environment defined by faster information flow, lower barriers to entry, broader participation, yet fewer public companies? Do these changes imply a structural shift in market behaviour? Are valuations a reflection of these forces in action? It is plausible that structural changes may be reshaping market behaviour, contributing to sharper but shorter bursts of volatility and more rapid narrative reversals.

1. Source: LSE Refinitiv Workspace as at 03/14/25. Based on TOTMKUS Index; holding period = 1/turnover ratio; 2. data.worldbank.org/indicator/CM.MKT.LDOM.NO?locations=US; 3. www.cbc.ca/news/business/survey-says-almost-half-of-canadian-adults-own-stocks-1.208778; 4. www.visualcapitalist.com/ranked-top-countries-by-stock-market-ownership/; 5. CANSIM Table 378-0121; www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610058001

Tax-Loss Harvesting: Turning Losses Into Tax Opportunities

Following strong market periods, some consider realizing gains to rebalance portfolios. Since capital gains may be subject to tax, a common way to reduce a resulting tax liability is to make use of capital losses. As a reminder, here's a primer on tax-loss harvesting.

Putting Capital Losses to Work

In general, when you sell an investment in a non-registered account, you must calculate the resulting capital gain or loss. This is generally the difference between the proceeds from the sale and the investment's adjusted cost base, less applicable transaction costs. For tax purposes, only a prescribed portion of the capital gain is included in taxable income (the "inclusion rate"), while the corresponding portion of capital losses is generally deductible against taxable capital gains. Currently, 50 percent of a capital gain is taxable and 50 percent of a capital loss is considered allowable. If allowable capital losses exceed taxable capital gains in a particular year, the remaining net capital loss generally cannot be used to offset other forms of income. However, it may be carried back to the last three taxation years to reduce taxable capital gains previously reported, potentially generating a tax refund, or carried forward indefinitely.

Avoiding the Superficial-Loss Trap

When claiming a capital loss, be aware of the superficial loss rules. In general, this may deny a capital loss if, during the period beginning 30 calendar days before and ending 30 days after the disposition, you or an affiliated person acquires the same or an identical property and continues to own it (or has a right to acquire it). An affiliated person may include a spouse/common-law partner, certain corporations controlled by you/spouse/partner and certain trusts or partnerships in which you or an affiliated person has a majority interest. The rules can also apply when securities in a loss position are transferred from a non-registered account to a registered account, such as a Registered Retirement Savings Plan (RRSP) or Tax-Free Savings Account (TFSA).

Putting the Rules to Work: Transfer a Loss to Your Spouse

In some circumstances, the superficial-loss rules may be used to transfer an unrealized capital loss to a spouse/partner. Generally, the loss owner sells the investment and the spouse purchases the same investment during the superficial-loss period and continues to hold it past the end of the period. As the spouse is an affiliated person, the capital loss is deemed superficial and denied to the loss owner. The denied loss is generally added to the adjusted cost base of the investment held by the spouse,[1] who can subsequently sell it and realize the loss. Because the timing, attribution and superficial-loss rules are complex, professional tax advice is recommended.

As we enter the final quarter of the year, it may be an opportune time to review your non-registered investments for unrealized losses that could be used to offset realized capital gains. As settlement timing can affect whether a loss can be claimed in the current taxation year, consider a review well before the end of December.

1. www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/personal-income/line-12700-capital-gains/capital-losses-deductions.html

The Power of Connection: Giving Can Benefit Others & Ourselves

In the longest-running study on happiness, the *Harvard Study of Adult Development* found that social connections are the strongest predictor of happiness, health and longevity.[1] Yet this important component of wellbeing can easily be overlooked when planning for our later years. Of course, my role is to support your wealth management to help enable the life you envision. But retirement planning is more than a number. An equally important consideration is how we'll maintain life satisfaction as we age.

We live in an era of unprecedented wealth and high living standards, yet unhappiness is at record highs. Social disconnection has become so concerning that the UK and Japan appointed government "Ministers of Loneliness," and in 2023, the U.S. surgeon general declared loneliness an "epidemic."[2] It has even been suggested that Gen Z may avoid the proverbial 'midlife crisis' not because they are happier, but because unhappiness has become so common early in life.[3] Historically, happiness followed a "U-shaped" curve across the lifespan; today, it slopes upward, with young adults the least happy and older adults reporting the greatest happiness.

This shift may be linked to various factors, including challenges related to employment and housing prospects, the lasting impact of the pandemic, growing wealth inequality and, of course, the rise of social media and smartphones, which have created a digital connectivity that inundates us with negative news and comparative envy.

This kind of connectivity, however, does not sustain us. A thriving human experience is fuelled by positive face-to-face interactions, which can shape how we perceive the world more positively.[4] Neuroscience shows that in-person interactions engage the brain in beneficial ways that text messages or video calls cannot replicate.[5]

There is also evidence linking social connection with longevity. A study following 1,500 older adults over a decade found that those with larger social networks outlived those with fewer connections by more than 20 percent.[2] Conversely, social disconnection is associated with higher risks of cardiovascular disease, stroke, depression and dementia. One study found that loneliness increased the risk of early mortality by 26 percent and social isolation by 29 percent.[6]

Importantly, social connection is not just about how many friends we have, but also how we engage with others. Those who participate in "prosocial" behaviours, or acts intended to help or benefit others, tend to enjoy better health. Examples include volunteering or making charitable donations. Seniors who spent 15 hours per week mentoring younger people experienced measurable improvements in cognitive and physical health. Volunteering has also been linked to increased lifespans.[7] Acts of giving can lower blood pressure and cortisol levels, while boosting feel-good brain chemicals like dopamine and serotonin.[8]

As we close another year — traditionally a time for both reflection and giving — it may be worth considering the impact we can make through our time, resources or attention. In helping others, we may also enhance our own wellbeing. Staying connected, not just financially, but also emotionally and socially, can help us live fuller, more satisfying lives as we plan for retirement and beyond.

Year-End Charitable Giving Opportunities

As year-end approaches, consider ways to support causes that matter to you while potentially benefiting from tax savings:

Cash Donations — Donating cash to a registered Canadian charity may entitle you to a donation tax credit. The credit may be claimed by either spouse, and donations can be carried forward for up to five years, providing flexibility in how the credit is used.

Donating Appreciated Securities — Gifting publicly-traded securities with accrued capital gains to a registered charity not only entitles you to a tax receipt for the fair market value, but also eliminates the associated capital gains tax.

Donor-Advised Fund (DAF) — A DAF allows you to make a contribution today, tax-deductible in the year it is made, while recommending how and when funds are granted in the future.

Life Insurance — This may be a tax-efficient way to support a charity. You can name a charity as policy beneficiary, allowing it to receive the death benefit tax free. A charity may own a policy on your life, with donations used to fund the premiums. These donations qualify for tax credits, while the charity ultimately receives policy proceeds. In some cases, donated securities may be used to help fund the strategy, providing additional tax benefits.

Charitable Foundations & Major Gifts — For major gifts, I have access to specialists to assist, so please reach out.

1. https://www.adultdevelopmentstudy.org/; 2. https://hsph.harvard.edu/news/the-importance-of-connections-ways-to-live-a-longer-healthier-life/; 3. https://www.newsweek.com/gen-z-midlife-crises-happiness-mental-health-2120019; 4. https://www.washingtonpost.com/wellness/2024/05/28/in-person-friendships-health-benefits/; 5. https://www.sciencedirect.com/science/article/pii/S1053811922007984; https://www.nature.com/articles/s41598-024-52587-2; 6. https://pubmed.ncbi.nlm.nih.gov/25910392/; 7. https://journals.sagepub.com/doi/10.1177/1359105305057310; 8. https://pubmed.ncbi.nlm.nih.gov/16905215/; https://lifestylemedicine.stanford.edu/why-giving-is-good-for-your-health/

With the Compliments of:

Michael Peters
B.Comm., CIM®, FCSI®, CIWM
Senior Investment Advisor

250 717 8135
michael.peters@td.com

TD Wealth Private Investment Advice

1633 Ellis Street, Suite 410
Kelowna, BC V1Y 2A8

Toll Free: 1 877 717 6465
Fax: 250 470 3048
www.michaelpeters.ca