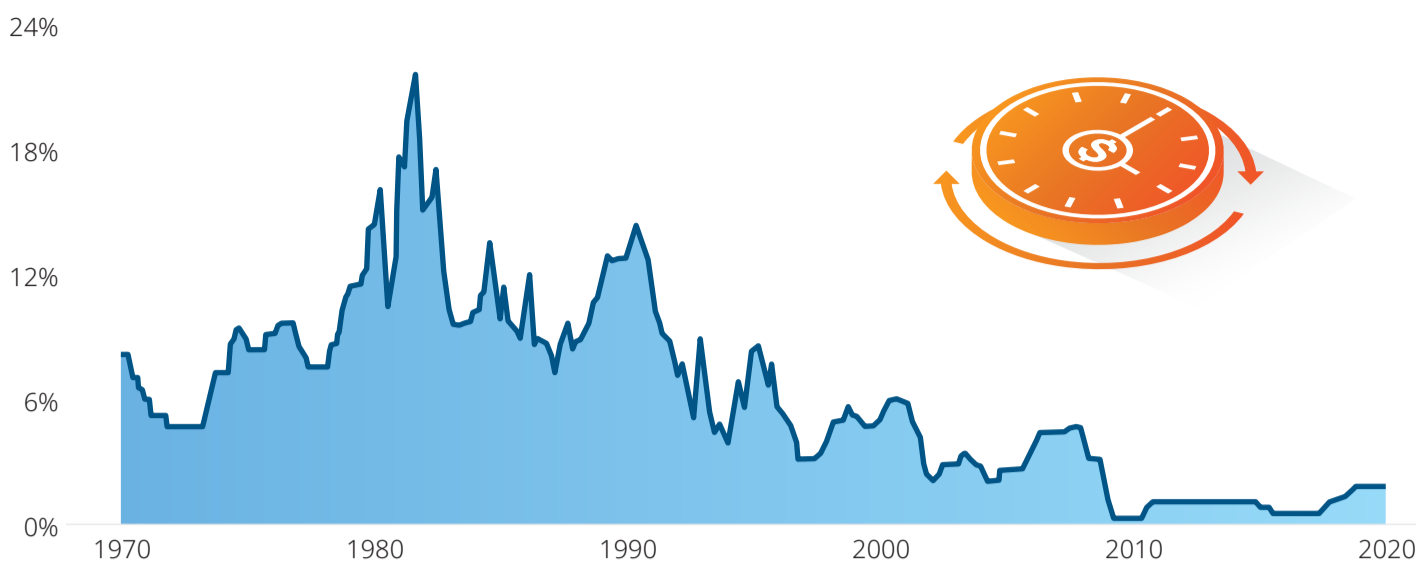


Adding gold to your portfolio



In 2020 the Bank of Canada lowered the overnight rate to **0.25%**

BOC Overnight Rate



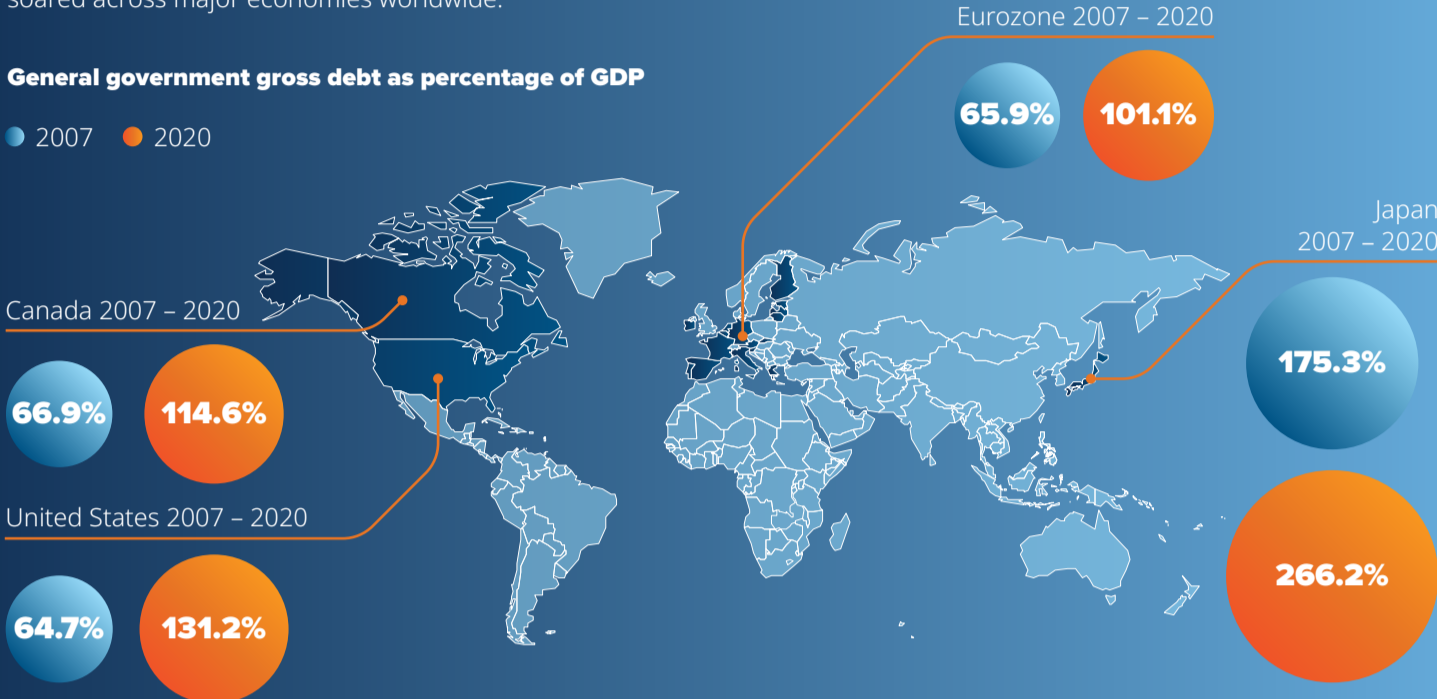
Sources: Statista / OECD, Bank of Canada, WoWa

Interest rates ↘ = borrowing ↗

Taking advantage of low interest rates, government debt has soared across major economies worldwide.

General government gross debt as percentage of GDP

● 2007 ● 2020

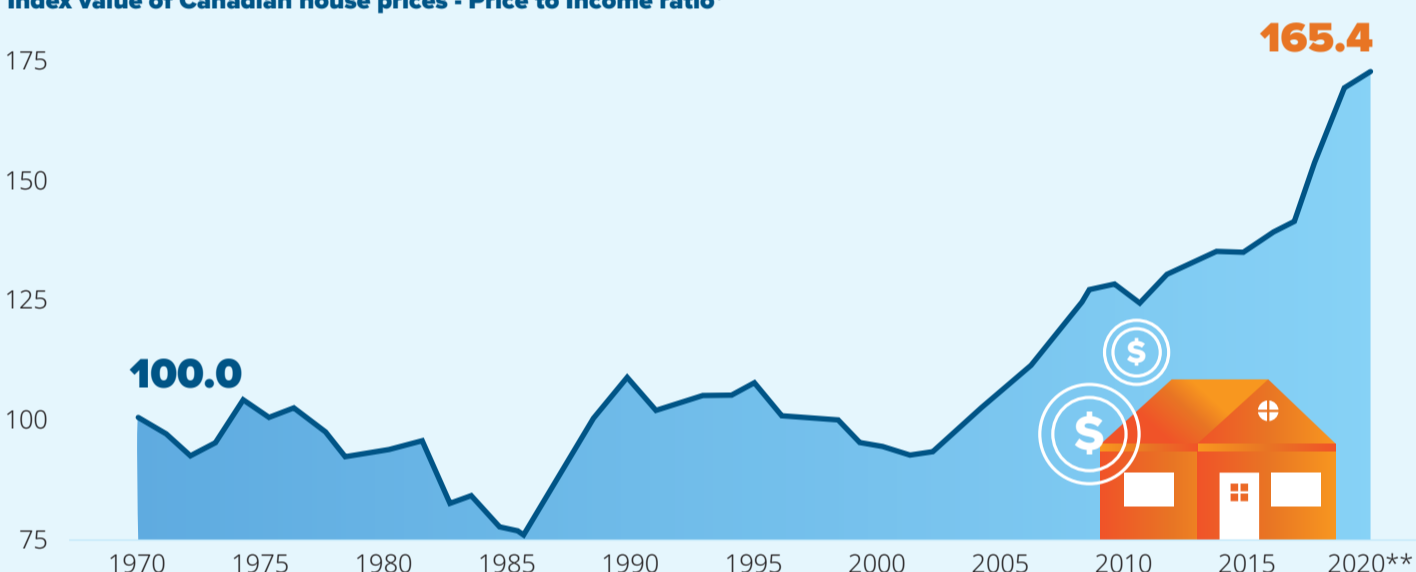


Source: International Monetary Fund

A false sense of prosperity

As interest rates go down, so do mortgage rates. Falling mortgage rates can make a dream home previously out of budget affordable. Furthermore, lower mortgage rates have increased the demand for housing causing house prices to rise further. Higher house prices create a false sense of prosperity when they are financed by ever greater amounts of debt. However, while Canadian house prices have gone through the roof over the years, Canadian incomes have not kept up.

Index value of Canadian house prices - Price to Income ratio*



*Indexed to 1970, **Q1-Q3 results
Sources: Statista / OECD

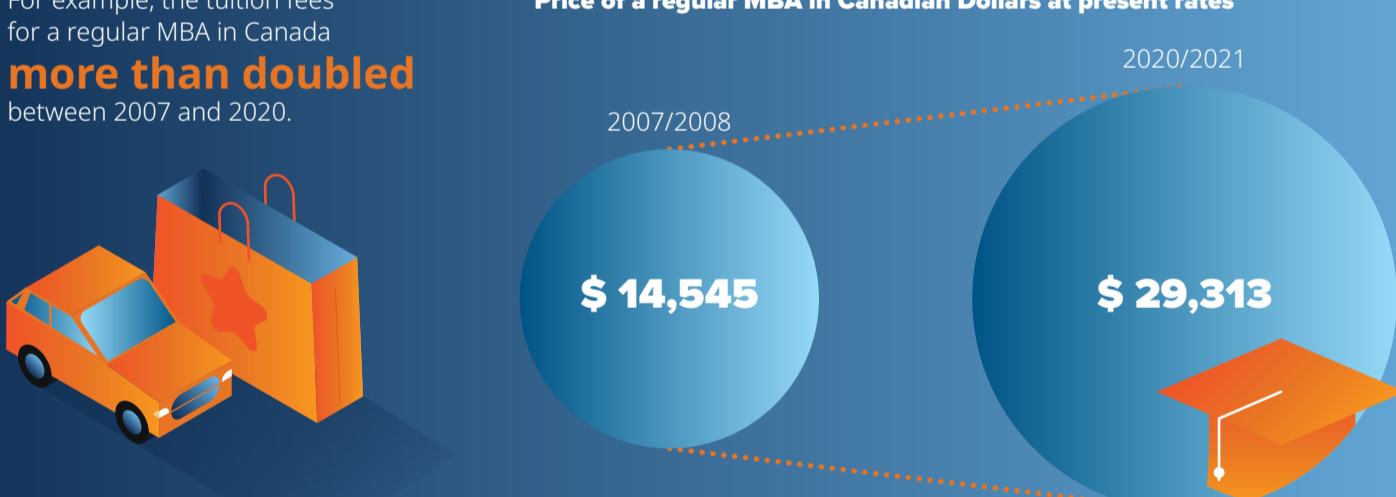
And the things we want have become expensive

While price increases may be less noticeable in day-to-day goods, the rising cost of some larger expenses show that the money in Canadian consumers' pockets does not go as far as it used to.

For example, the tuition fees for a regular MBA in Canada

more than doubled between 2007 and 2020.

Price of a regular MBA in Canadian Dollars at present rates



Source: Statistics Canada / Statistique Canada

Gold protects purchasing power

Gold is a hard asset and can safeguard your purchasing power when interest rates go down and supply of money increases.

Annual average gold price (in USD)



Sources: Statista, Kitco

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Sources: Bank of Canada, Bloomberg, International Monetary Fund, Kitco, OECD, Statista, Statistics Canada / Statistique Canada, WoWa

Read our paper "More money is coming your way" to learn how currency devaluations can crush purchasing power.

Gold offers protection against unconventional monetary policies and protects purchasing power

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