DOCUMENT TWO

The Five Pillars of Asset Security™

A five-pillar framework designed to reduce vulnerability, preserve opportunity and keep wealth working as one coordinated family plan

THE ASSET SECURITY REFERENCE SERIES

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The Merrick Spitters Reset Report™

The Five Pillars of Asset Security™

A five-pillar framework designed to reduce vulnerability, preserve opportunity and keep wealth working as one coordinated family plan

Each pillar has one job. Together, the pillars spread risk across different types of ownership, income, management, tax planning and family planning. They can help de-risk wealth while keeping the family invested for long-term growth. The order is deliberate, but it is an organizing order rather than a mandatory implementation sequence.

Why Five Pillars Are Necessary

Once assets are examined in order of security, an important truth becomes clear: no single asset can protect against every form of risk. Gold can reduce monetary and counterparty dependence, but it does not create income or a succession plan. Productive private assets can add cash flow, but they cannot by themselves govern a public-market portfolio. Portfolio management cannot remove tax created by a major asset sale. Tax planning cannot replace estate liquidity, family governance or clear legal authority.

The Merrick Spitters Asset Security Framework™ was built to address those separate responsibilities. It moves from a directly owned monetary reserve, to productive private assets, to professionally managed investment capital, to tax-advantaged strategies for repositioning assets, and finally to comprehensive wealth and continuity planning.

The sequence shows how the pieces fit together. A family can begin with the priority that matters most and connect the other pillars over time.

Each pillar has its own responsibility:

- Physical gold and silver provide a directly owned monetary reserve outside conventional counterparty chains.
- Alternative investments and productive private assets add income, growth and return drivers beyond public markets.
- Discretionary private portfolio management governs the liquid capital that remains inside financial markets.
- Tax-advantaged strategies address the tax friction that may arise when a business, farm, portfolio or real estate asset is sold or moved.

- Comprehensive wealth and continuity planning connects insurance, estate, tax, succession, business or farm transition and cross-border needs around the family.

The framework becomes vulnerable when one investment, one institution or one professional relationship is expected to handle all five responsibilities.

Pillar One: Physical Gold and Silver

Directly owned monetary reserve

Gold comes first because it answers the most basic question in the framework: What can be owned without depending on someone else's promise? Properly held physical gold has no corporate issuer. It is not a liability of a bank, government, corporation or borrower, and it does not require a counterparty to perform.

Gold and silver do not perform exactly the same role. Gold is generally used as the primary monetary reserve. Silver also has monetary characteristics and substantial industrial demand, but its smaller market and changing industrial demand can make its price move more sharply than gold. The appropriate balance depends on the owner's goals, storage capacity, liquidity needs and tolerance for volatility.

What this pillar is designed to address:

- Persistent loss of purchasing power and dependence on a single currency system.
- Banking, counterparty and settlement-system exposure.
- The need for direct ownership and access outside public financial markets.
- The need for a reserve asset with no corporate issuer.

Implementation discipline matters. Physical ownership is different from paper exposure that merely tracks a metal's price. Ownership, storage, insurance, verification, access and liquidity determine whether the metals can perform their intended role. The precious-metals Referral Partner reviews the available choices and is responsible for recommendations in that area.

Pillar Two: Alternative Investments and Productive Private Assets

Income, growth and return drivers beyond public markets

The second pillar moves from a monetary reserve into private assets capable of producing income, growth and economic value. These holdings may earn rent, interest, royalties or business income and can complement the public-market portfolio with different return drivers.

The opportunities generally fall into four categories. Private real estate can include multifamily housing, self-storage, care homes, warehouses and development. Private credit earns interest from loans outside public markets. Private businesses provide ownership in private companies. Contractual income includes royalties and other contracted cash flow.

Being private does not make an investment secure. The underlying asset must be useful, the debt manageable, the cash flow understandable and the manager experienced and aligned with investors. Selection requires disciplined review of leverage, cash-flow coverage, ownership structure, valuation, liquidity, redemption terms, fees, manager experience and the manager's own capital at risk.

What this pillar is designed to address:

- Overdependence on publicly traded stocks and bonds.
- Rising correlations and concentrated return drivers during periods of market stress.
- The need for income and growth connected to private economic activity.
- The need for return sources not priced continuously by public markets.

A private investment may be difficult to sell and can lose money. Income is not guaranteed. The appropriate alternative-investment Referral Partner conducts the required analysis, suitability review and recommendations for any specific opportunity. Private ownership changes the source of the return. It does not remove the need for scrutiny.

Pillar Three: Discretionary Private Portfolio Management

Professional management with separate custody

Some capital should remain liquid, professionally managed and available to participate in public and private opportunities. Pillar Three gives that market capital one clear home and establishes who makes the investment decisions, who holds the assets and how the client receives independent reporting.

A discretionary portfolio-management Referral Partner makes day-to-day investment choices within a regulated mandate, so the client does not need to approve each trade. A qualified third-party custodian is a separate company that holds and reports the assets. The custodian handles asset safekeeping, trade settlement and statements. The portfolio manager selects investments, spreads risk, plans cash and reports results.

The separation between manager and custodian adds oversight and means one organization does not control every part of the account. The managed portfolio serves as the liquid, professionally governed market component of the plan. Precious metals and alternatives provide different forms of ownership and additional return drivers.

What this pillar is designed to address:

- Unclear decision-making authority and fragmented portfolio responsibility.
- Unnecessary concentration in a single institution or custody chain.
- Passive exposure to concentrated indexes or distorted markets.
- The need for continuous professional governance, liquidity planning and reporting.

This pillar is not a promise of constant outperformance. Its purpose is governance through a documented mandate, professional oversight, appropriate diversification, transparent custody and the capacity to act when conditions change.

Pillar Four: Tax-Advantaged Strategies for Repositioning Assets

Tax planning before a major asset sale or transfer

Pillar Four begins before a business, farm, portfolio or real estate asset is sold or moved. A major transaction can create a significant tax bill. Planning in advance gives the family, accountant, lawyer and tax-strategy Referral Partner time to review lawful options alongside investment risk, liquidity, timing and the family's broader objectives.

When appropriate, available deductions or other strategies may reduce the tax friction created by the sale or repositioning. The resulting tax savings may preserve capital for suitable reinvestment, liquidity reserves, debt reduction or other family priorities. Tax savings are not guaranteed, and a tax benefit does not make an unsuitable investment suitable.

The Referral Partner is responsible for explaining and recommending any specific strategy within their registration, licensing and firm requirements. The family's accountant and lawyer remain responsible for tax and legal advice. The advisor-facilitator coordinates those professionals so the tax strategy remains connected to the family's complete plan.

What this pillar is designed to address:

- Tax friction created by selling or repositioning a major asset.
- Loss of capital that might otherwise support reinvestment, liquidity or debt reduction.
- Tax decisions made without considering investment risk, timing and family priorities.
- Poor coordination among the client, advisor, Referral Partner, accountant and lawyer.

Planning is most effective before the transaction creates a deadline. Once an asset has been sold or transferred, many choices may no longer be available.

Pillar Five: Comprehensive Wealth and Continuity Planning

Your family at the centre of one coordinated plan

Pillar Five brings financial planning, insurance, estate planning, tax planning, business or farm continuity, succession and cross-border planning together. The first four pillars can be financially sound and still fail if family, liquidity, authority and ownership decisions remain disconnected.

Insurance may provide capital when a family or business needs it most, including at death, disability, succession or another major transition. When coverage is appropriate and sustainably funded, it can help fund tax obligations, support ownership transfers, equalize an estate and reduce the chance that important family or business assets must be sold at the wrong time.

Legal and succession planning determines who has authority today, who assumes it during incapacity and how ownership transfers at death. Wills, powers of attorney, corporate structures, shareholder agreements, beneficiary designations, trusts where appropriate and family governance must support the same plan. Cross-border planning becomes important when family members, property, corporations or tax obligations span more than one jurisdiction.

What this pillar is designed to address:

- Insufficient liquidity at death, disability or succession.
- Forced sale of a farm, business, real estate asset or investment portfolio.
- Unclear decision-making authority, fragmented ownership or family conflict.
- Estate, tax, insurance and cross-border decisions made in isolation.

The wealth-planning and insurance Referral Partner conducts the appropriate needs analysis and is responsible for specialized recommendations within their area. The family's lawyer and accountant remain responsible for legal and tax advice. The advisor-facilitator keeps those relationships connected to the complete family plan.

The first four pillars may create and preserve financial value. Pillar Five determines whether that value remains useful to the family and can pass as intended.

How the Five Pillars Reinforce One Another

The framework becomes most useful when the pillars are viewed as interdependent rather than as five separate purchases.

- Physical gold and silver establish a directly owned monetary reserve outside conventional counterparty chains.
- Alternative investments add productive private assets and return drivers beyond daily public-market pricing.
- Discretionary private portfolio management governs the liquid capital that remains inside financial markets and strengthens custody discipline.
- Tax-advantaged strategies may reduce tax friction when major assets are sold or moved and preserve capital for suitable family priorities.
- Comprehensive wealth and continuity planning connects insurance, estate, tax, succession, business or farm transition and cross-border decisions around the family.

A weakness in one pillar can place unnecessary pressure on the others. Without tax planning, a sale may preserve less capital than expected. Without insurance or estate liquidity, a family may have to sell a strong asset. Without succession planning, liquidity may not resolve a governance dispute. Without custody discipline, a diversified portfolio may remain exposed to one institutional chain. Without a monetary foundation, every component may still depend on confidence in the same currency system.

> **The Five Pillars are not designed to make uncertainty disappear. They are designed to prevent uncertainty in one part of the system from becoming a single point of failure for everything a family owns.**

Applying the Framework

The framework begins with an inventory, but not merely a list of balances. Each asset should be examined according to its job, ownership structure, custody, liquidity, tax exposure, jurisdiction and succession path.

- What must this asset do for the family or business?
- Who legally owns it, and who has practical control?
- Which institutions, markets and digital systems must function for access to continue?
- What debt, tax or liquidity obligation could force a sale?
- What tax friction could arise if the asset is sold or moved?
- What happens to authority during incapacity and at death?
- Which pillar is carrying too much responsibility, and which pillar deserves attention first?

The objective is not to divide wealth equally among five categories. It is to identify the priority that matters most.

One family may own excellent productive assets but have no plan for the tax created by a sale or transfer. Another may hold a diversified investment portfolio through one custodian. A third may have insurance and investments in place but no agreement over who takes control of the business. In each case, most of the financial planning may appear sound. One unresolved weakness can still place the rest of the structure at risk.

Start with the Priority That Matters Most

The framework stays the same, but the starting point is personal. A family building wealth may begin with income and growth. A family protecting wealth built over many years may begin with direct ownership, custody, tax planning or estate planning. A business or farm owner may begin with a transfer or sale. A retired family may focus on cash flow, access and estate goals.

You do not need to implement all five pillars at once or replace the professionals you already trust. Begin with the strongest need, then connect the remaining pillars over time.

Who Does What

You and your family remain at the centre. Existing accountants, lawyers, bankers, realtors, mortgage brokers and other trusted professionals can remain involved. Each Referral Partner conducts their own fact-finding and analysis, explains available options, completes any required suitability review and makes recommendations within their own area and firm requirements.

The advisor-facilitator identifies risks, establishes priorities and recommends strategic direction. Where specialized input or implementation is required, the advisor obtains the client's permission to make the introduction and connects each Referral Partner's work to the family's goals and existing professional relationships.

The first outcome is clarity, not an obligation to make changes.

The result will not be identical for every family. Age, health, business ownership, land, family dynamics, tax position, residency, time horizon, liquidity needs and existing capital all matter. The Five Pillars provide the structure for analysis, not a substitute for personal legal, tax, insurance or investment advice.

Building While Choice Still Exists

The most important advantage in financial planning is not perfect foresight. It is the ability to act before circumstances dictate the decision. Assets can be repositioned deliberately while markets are functioning. Tax strategies can be reviewed before an asset is sold or moved. Insurance can be secured while health permits. Corporate and estate structures can be aligned while family members can still participate. Succession can be discussed before a deadline turns a conversation into a crisis.

That is the purpose of The Merrick Spitters Asset Security Framework™. It converts concern about monetary change, market dependence, institutional exposure, tax friction and generational transition into a structure that can be examined, strengthened and maintained.

It starts with gold because every structure needs an asset that is no one else's promise. It ends with comprehensive wealth and continuity planning because wealth is not secure unless liquidity, authority and the owner's intent can survive the owner. Between those two points sit the productive, governed and tax-aware forms of capital that help a family live, grow and transfer wealth without depending on one system remaining unchanged.

Related reference: Owning Assets in Order of Asset Security™

This companion page explains why asset security should be considered before expected return and how control, access, independence and continuity change the way an asset is evaluated.

Where Does Your Current Structure Stand?

You may already have several of the Five Pillars in place without having considered how they work together. You may also find that one missing or disconnected pillar is placing more pressure on the rest of your wealth than you realized.

If you would like continuing analysis of gold and silver, alternative investments, private portfolio management, tax-advantaged strategies, comprehensive wealth planning and the risks affecting financial ownership, subscribe to The Merrick Spitters Reset Report™.

Button: Subscribe to The Merrick Spitters Reset Report™

If you would like to examine your own structure, book a 45-minute Asset Security Conversation™. We begin by mapping what you own, how it is held and how you can access it. Together, we identify what should remain exactly as it is, which priority deserves attention first and whether a focused introduction to a Referral Partner may be useful. The first outcome is clarity, not pressure to act.

Button: Book Your 45-Minute Asset Security Conversation™

Prefer email? Contact Adrian at aspitters@pfcwealthsolutions.com.

Important Planning and Role Context

This reference document provides general education and strategic context. It is not an offer to buy or sell a security or enter into an insurance contract. Any personal recommendation requires a review of the client's complete circumstances.

Private investments are not automatically safe. They may be difficult to sell and can lose money. Income is not guaranteed. Fees, timing, value and risk are set out in each offering document. Securities and products require suitability review, dealer approval and applicable registration. Diversification and de-risking do not remove risk or guarantee a return.

Tax savings are not guaranteed and must be considered with investment risk, liquidity, timing, tax treatment and personal circumstances. Tax results depend on the client's situation and current law. Gold and silver prices change, and direct ownership requires appropriate storage, insurance, verification and access. Account and custody agreements govern how financial assets are held.

Each professional is responsible for advice within their own licence and field. Insurance, estate, legal and cross-border planning depend on the client's needs and professional advice. Before services begin, clients receive required information about Referral Partners, roles, fees and conflicts.

Where specialized product, portfolio, tax, insurance, legal or other advice is required, the appropriate Referral Partner conducts their own review and is responsible for recommendations within their area, subject to registration, licensing, professional responsibilities and firm requirements.

Repositioning may reduce exposure to a market correction, but it cannot prevent market losses or guarantee protection.

Before any recommendation is made, the responsible professional must review the client's objectives, risk profile, time horizon, liquidity needs, costs, tax consequences, existing holdings and reasonable alternatives. Any recommendation must be suitable for the client and put the client's interests first.

When this framework is used through PFC Wealth Solutions®, Adrian C. Spitters, CFP®, FCSI®, CEA®, serves as advisor and facilitator. He is President and Private Wealth Advisor of Performance Financial Consultants Ltd., operating as PFC Wealth Solutions®. He is a dealing representative of Axcess Capital Advisors Inc., a registered exempt market dealer. He is licensed for life and accident and sickness insurance and conducts his insurance business through MAX Financial Ltd. CFP® certification is granted by FP Canada.

Selected Sources and Methodology

The following sources support the planning context, regulatory disclosures and professional-role framework used in this reference document. Source titles are clickable in the electronic document.

Planning, Regulatory and Role Context

- British Columbia Securities Commission: National Instrument 31-103
- British Columbia Securities Commission: National Instrument 45-106
- Canada Revenue Agency: Flow-Through Shares
- Canada Revenue Agency: Reporting Flow-Through-Share Investments
- Financial Consumer Agency of Canada: Life Insurance
- Insurance Council of British Columbia: Licensee Responsibilities
- Canadian Securities Administrators: Client-Focused Reforms
- CSA and CIRO Staff Notice 31-368: Client-Focused Reforms
- Axcess Capital Advisors Inc.
- MAX Financial Ltd.
- FP Canada: CFP Marks Usage Guide

Methodology

Specific investments, accounts, insurance policies and tax strategies are governed by their offering documents, account or custody agreements, insurance contracts, illustrations and applicable law. The regulatory references reflect the source materials used for the July 2026 presentation and brochure.