

Quarterly Update – Third Quarter of 2025

An update on financial markets

Stock markets around the developed world are posting returns well into the double-digits so far this year. However, I can't help but notice the country at the bottom of the chart. Curious.

But even the USA's "modest" 15% year-to-date return puts them on pace for 20% this year, which would be more than double the long-run global average.

With a strong market as the backdrop, we want to switch gears to talk about when returns are on the scary side of zero.



Why now? Well, we don't know when the next difficult market is going to come, but we know there will be another one. When it happens, following a plan is important.

That's why the plan for your portfolio is being set now.

Earlier this year we started increasing the money market reserves in your portfolios. This money is set aside to cover planned future withdrawals from your accounts. It is invested in money market mutual funds that do not vary in price and earn a higher rate of interest than bank savings accounts.

Here is what we are doing and what we plan to do next:

- We are reducing equity exposure somewhat, mostly by taking gains on investments in the broad US stock market, the Canadian energy sector, gold and silver, and companies involved in mining gold, silver, and uranium.
- We are increasing money market reserves even more and increasing allocations to fixed income. Doing this puts your portfolio in a more defensive position.
- If stocks continue to perform well, fantastic. Your portfolio still has a meaningful allocation to the stock market and it is focused away from sectors that are wrapped up in AI-driven momentum.
- If stocks falter, some investors might throw the baby out with the bathwater. We have a watchlist of names across a variety of sectors that we'd like to buy if the market stumbles.

Notice that we are not abandoning equities all together. Our outlook on the market is cautious, but we know markets are unpredictable, so we never plan on being all-in or all-out. History argues for balance.

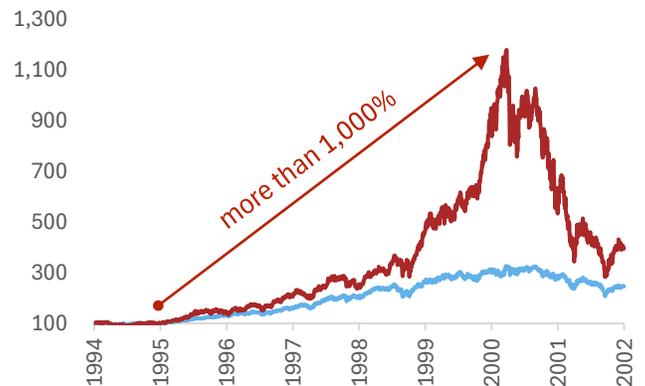
Late in 1996, Alan Greenspan, then Chair of the US Federal Reserve, posed a rhetorical question:

But how do we know when irrational exuberance has unduly escalated asset values...?

Investors interpreted this as a warning from Greenspan that internet-themed companies were attracting too much attention from investors and stock prices were getting out of control. He was entirely correct. But he was early. The **tech-heavy Nasdaq 100** stock index soared for three more years, returning another 1,000% before it peaked in the spring of 2000. Ultimately, the sector succumbed under the weight of self-imposed ambitions.

USA Dot-Com Bubble Burst

Growth of \$100 in the **tech-heavy NASDAQ 100** and the **broad-market S&P 500**



Data from YCharts

Bottom line: It's hard to tell if we're in 1996 or the beginning of 2000, but a healthy portfolio has eggs in many baskets and a healthy portfolio manager has a plan for when the time comes to move your eggs.

Team update – Next chapters

Youngest news first: Raelene will welcome her first child early in November. We are thrilled for her and Josh. While Raelene is away, your experience will stay the same, other than contacting me, Paul, Eric, or Karen rather than Raelene. We'll let you know when Raelene goes on leave.

Finally: He managed the bull, made his own financial plan, and lined up his successors. Now, David Christianson is hanging up his lasso. David is set to formally retire on January 1st, 2026. While this is not his farewell message – there will be time for that – it is the last quarterly letter to bear his signature. Our team is grateful for his leadership and we're proud to carry forward the "no-nonsense" approach that has always defined our work together.



Dave's retirement means we have to say goodbye to the Christianson Wealth Advisors name – a matter of industry rules, not our preference. What matters most is that our team, our philosophy, and our commitment to you remain unchanged.

Work is underway right now to bring our new brand to life and we are genuinely excited to share it with you. Stay tuned for more details in the coming months look forward to the full reveal in the new year.

As always, thank you for your trust.



Rooted in wisdom.
Here for generations.
Always CURRENT.

All the best from Andrew, Paul, Eric, David, Karen, and Raelene.

Andrew Froese

Paul Kawchuk

Eric Nipp

David Christianson

Wealth Advisor &
Portfolio Manager

Wealth Advisor &
Portfolio Manager

Associate Wealth Advisor
& Portfolio Manager

Senior Wealth Advisor
& Portfolio Manager

CFA, B. Comm (Hons)

CFA, CFP,
B. Comm (Hons), B. Ed.

CIM®, FSCI®

BA, CFP, R.F.P, TEP,
CIM®

Note: Performance figures are calculated using the time-weighted method and are net to you, after deducting all fees and expenses.

Disclaimer: National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). This is not an official statement. The information on the official NBFWM statement will take precedence over the account information or returns contained in this report. 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 based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed herein do not necessarily reflect those of National Bank Financial.