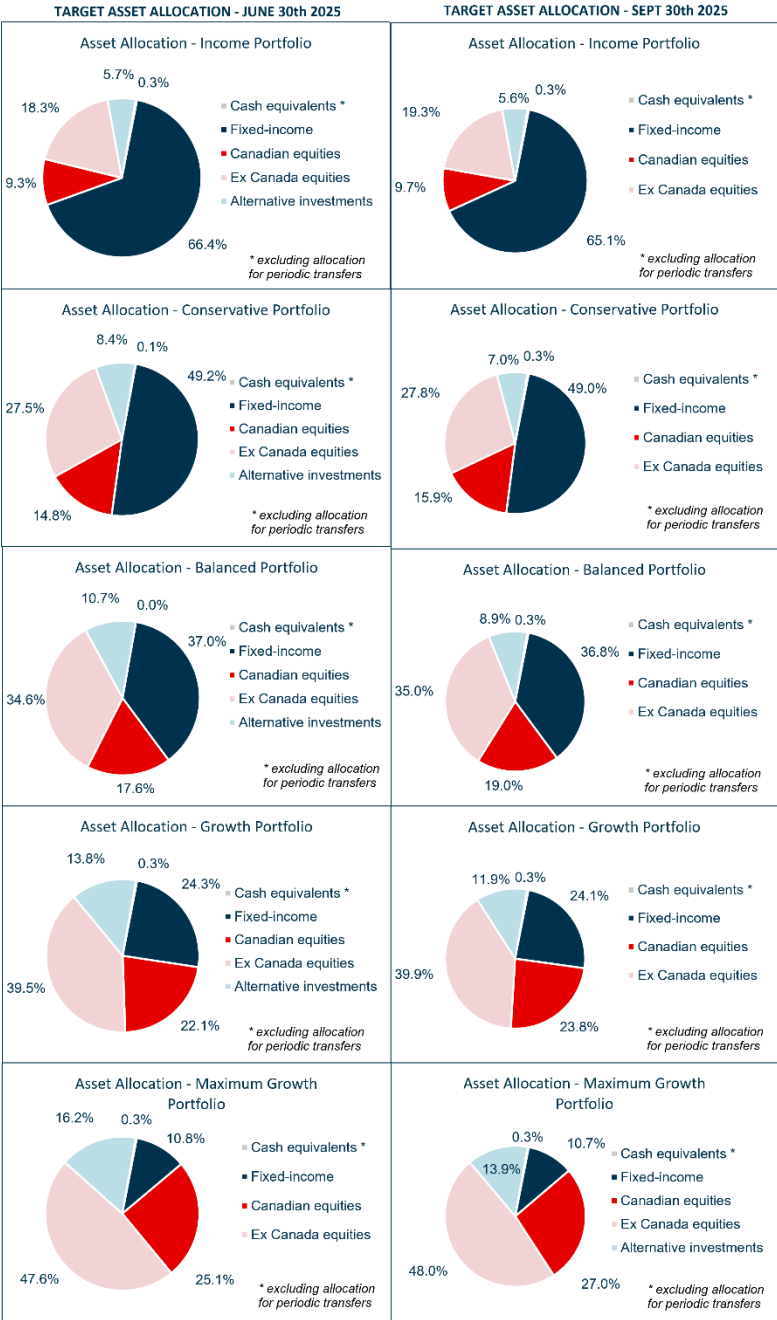




3RD QUARTER 2025 SUMMARY

Asset Allocation Strategy

We did not make changes to the asset allocation in the portfolio during Q3. Variations result mainly from changes in the relative valuation of investments.



Portfolio Model Revisions

We have decided to divest from the **NBI Liquid Alternatives ETF (NALT.TO)** following a change in portfolio manager and an adjustment to the investment methodology. These changes prompted a due diligence process on our part to assess the impact on the strategy and its alignment with our objectives. Following this analysis, we concluded that it would be preferable to reallocate capital to solutions offering continuity in management and more favorable risk-adjusted return prospects. NALT was a complement to the position in the NBI Real Assets Private Pool (NBI RAPP), closed to new purchases.

We have replaced NALT by the **iShares Global Infrastructure Index ETF (CIF.TO)** which is more aligned with the investment objectives pursued by NBI RAPP. CIF.TO provides targeted exposure to global companies operating in essential infrastructure sectors such as utilities, transportation, energy, and water. These companies tend to generate stable and predictable cash flows, making them particularly attractive defensive assets during periods of volatility. Furthermore, the growing demand for infrastructure investments, supported by public policies and energy transitions worldwide, offers compelling long-term growth potential. With strong recent performance, regular distributions, and geographic diversification, CIF.TO stands out as a strategic instrument for capturing stable income while participating in the global growth of the infrastructure sector.

Quarter Highlights

Market Progression

Markets continued their upward trajectory in the third quarter of 2025, driven by strong momentum in cyclical sectors such as materials, energy, and finance. Geographically, Canadian equities stood out, supported by the strength of these sectors which are heavily weighted in the index. In the United States, although equities advanced, high valuations limited further gains. On the fixed income side, Canadian bonds benefitted from a price appreciation, thanks to a decline in bond yields in September.

Noteworthy Securities

Among individual securities, **Exchange Income**, a Canadian company operating in aerospace and aviation, and **CIBC** (Canadian Imperial Bank of Commerce) stood out domestically with strong quarterly results. CIBC notably reported impressive growth in key segments such as wealth management and capital markets.

Globally, **Alphabet (Google)** and **Broadcom** delivered outstanding returns, fueled by developments and growth prospects in artificial intelligence. Meanwhile, **TJX Companies** (Winners, Homesense, Marshall's) exceeded analysts' expectations with its quarterly results and announced plans for international expansion.

Economic Context and Monetary Policy

The summer was marked by relative macroeconomic stability. Inflation remains contained in Canada (around 2%) and slightly higher in the United States (approximately 3%). However, signs of economic slowdown have emerged, particularly in the labor market. In response, both the Bank of Canada and the Federal Reserve lowered their key interest rates in September, while signaling the possibility of further easing.

Strategic Positioning and Outlook

In this context, we are maintaining our current asset allocation, with a measured preference for riskier assets. We continue to overweight equities relative to bonds, with a slight tilt toward the Canadian market due to its advantageous sector composition and more reasonable valuations. At the same time, we maintain exposure to the U.S. market, which remains promising from a technological innovation standpoint. Our allocation to high-quality international equities adds prudence and geographic diversification. Additionally, the presence of alternative assets in the portfolio contributes to reduce overall volatility while generating stable income.

We anticipate moderate economic growth and persistent inflation in the United States, which could influence interest rate trajectories. While global financial conditions are improving, risks remain: a deterioration in the labor market or a resurgence of inflation could challenge market expectations. A diversified and disciplined approach is therefore imperative in this environment. Diversification is key to preparing for the unexpected.

Although the summer was relatively calm, caution remains essential in the months ahead, and diversification continues to be a cornerstone. As markets adapt to new economic and geopolitical realities, we maintain a disciplined approach focused on proactive risk management. Consistency—rather than haste—remains the key to capturing long-term opportunities.

“A goal without a plan is just a wish.” - Antoine de Saint-Exupéry

The opinions expressed herein do not necessarily reflect those of National Bank Financial. 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 consider a number of factors including our analysis and interpretation of these particulars, such as historical data, and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. Unit values and returns will fluctuate and past performance is not necessarily indicative of future performance. Important information regarding a fund may be found in the prospectus. The investor should read it before investing.

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).