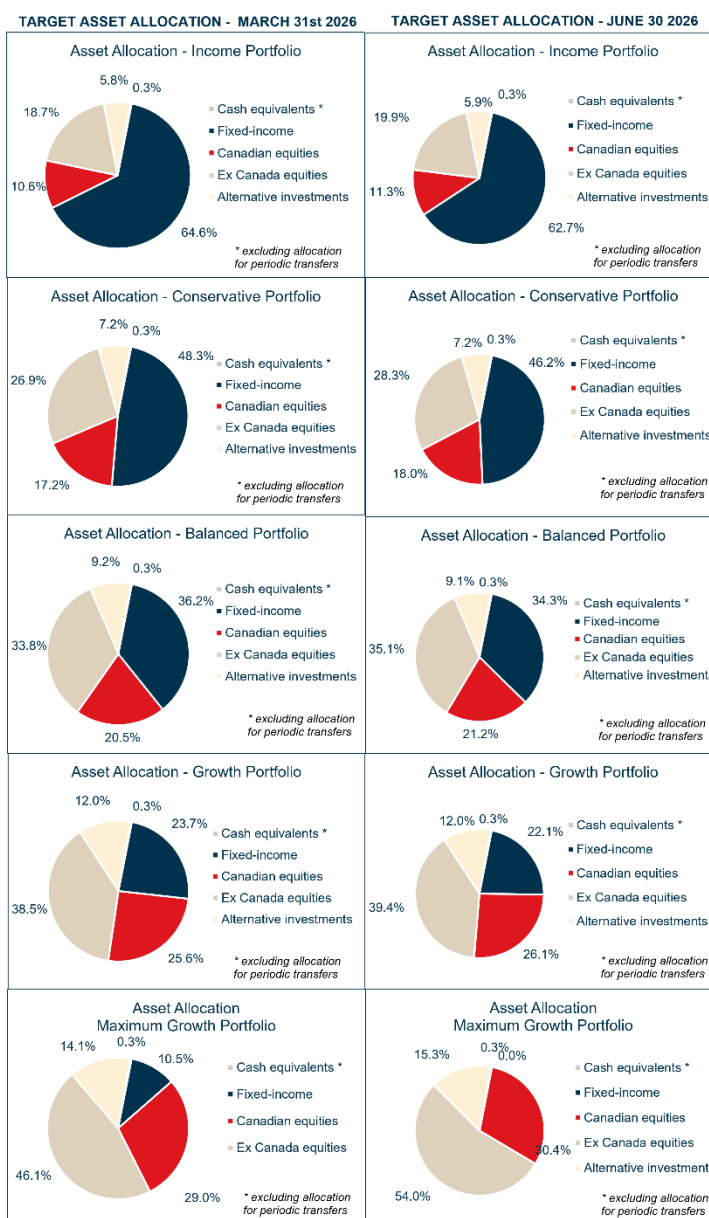




2ND QUARTER 2026 SUMMARY

Asset Allocation Strategy

We have eliminated the fixed income exposure from the Maximum Growth model to better align with the objectives, risk tolerance, and capacity of investors in this profile to hold growth assets and remain invested during periods of significant market volatility. This transition is currently underway. The other changes result from shifts in the relative valuations of the various asset classes.



Portfolio Model Revisions

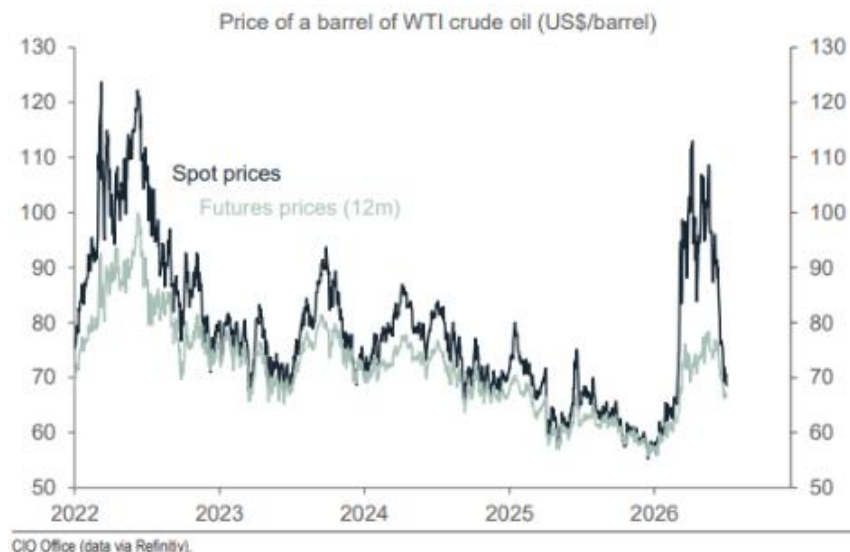
Following the redemption of the note linked to the U.S. Large Banks Index, we reinvested in a new contingent income note, also tied to the U.S. Large Banks Index. This investment is designed to generate regular income while providing exposure to the U.S. banking sector. It serves as a stabilizing element within the alternative portion of the portfolio and contributes to the diversification of return sources.

This note, custom-designed by our Capital Markets department for our team and clients, is offered exclusively to our clientele. Its performance is linked to an index composed of several major U.S. banks. It targets an annual income of 11.04%, paid monthly, as long as the reference index remains above 70% of its initial level. While the note has a defined maturity date, it may be redeemed early if certain conditions established at issuance are met.

Quarter Highlights

What Shaped the Markets in 2026

One of the most notable developments during the quarter was the easing of tensions in the Strait of Hormuz, which contributed to a significant decline in oil prices. Lower energy costs support the fight against inflation and improve the outlook for consumers, businesses, and investors alike.



Despite ongoing volatility, equity markets continued to advance. The labor market remains strong, wage growth is progressing at a pace consistent with more moderate inflation, and bond markets have benefited from lower inflation expectations.

In Canada, the financial sector was the primary driver of market performance, while energy and several resource-related sectors posted more modest returns.

Key Themes to Watch in the Second Half of the Year

Inflation: After several years in the spotlight, inflation is finally showing encouraging signs of improvement. If energy prices remain stable and trade tensions stay contained, the disinflationary trend could continue. One factor worth monitoring is the United States, where inflation remains persistent. The Federal Reserve may raise its policy rate before year-end, a possibility that has already been largely reflected in financial markets.

Artificial Intelligence (AI): Artificial intelligence remains the dominant market theme. Major technology companies continue to invest heavily in infrastructure and computing capacity. The question is no longer whether AI will transform the economy, but rather how quickly productivity gains will materialize. Although investor enthusiasm remains strong, several indicators suggest it is still premature to speak of the end of the cycle. In other words, the upward trend remains intact, but we continue to monitor valuations closely and ensure diversification across multiple sectors.

Our Positioning

Against this backdrop, we continue to favor equities, which we expect to outperform bonds over the medium and long term. The economy continues to grow, inflation appears to be on a downward path, valuations generally remain reasonable, and investor optimism does not seem excessive.

That said, we remain disciplined in our risk management by maintaining appropriate geographic and sector diversification. This helps reduce concentration risk in a handful of technology companies, a phenomenon particularly evident in the S&P 500 Index. We are also closely monitoring the Canadian banking sector, whose exceptional performance has pushed valuations to historically elevated levels.

Portfolio Holdings Update

National Bank continues to execute its strategy effectively and benefits from favorable conditions across its business lines. The acquisition of Laurentian Bank remains well received by investors, who anticipate meaningful synergies over the coming years. Following the strong rally in the Canadian banking sector since the beginning of the year, however, a degree of caution remains warranted in the short term for Canadian bank stocks in general.

Microsoft remains one of the key beneficiaries of the rise of artificial intelligence. Through its software ecosystem, Azure platform, and partnership with OpenAI, the company is well positioned to benefit from the sector's growth. We particularly appreciate its ability to generate substantial cash flow today while continuing to invest aggressively in future growth opportunities.

Dollarama continues to stand out in an environment where consumers remain mindful of their spending. Its well-established store network, operational discipline, and ability to maintain profitability make it an excellent example of a company capable of thriving through different economic cycles.

In Conclusion

At the halfway point of 2026, the overall picture remains constructive. Several concerns that dominated the markets earlier in the year have eased, the global economy continues to demonstrate resilience, and conditions generally remain favorable for risk assets.

Over the coming months, we will pay close attention to the evolution of inflation, central bank decisions, and the tangible impact of artificial intelligence on productivity. As always, our role is less about predicting every market movement and more about building resilient portfolios aligned with your long-term objectives. After all, investing is a marathon, not a sprint.

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

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