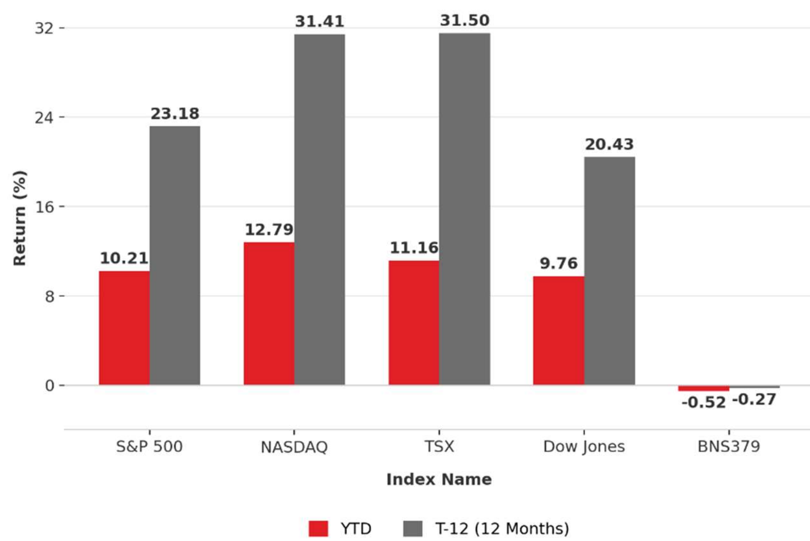
NATIONAL BANK FINANCIAL WEALTH MANAGEMENT

The Zentner Wealth Advisory Group

<u>Navigating Change, Capturing Opportunity</u>

As we reach the midpoint of 2026, investors have once again been reminded that markets rarely move in a straight line. The first half of the year brought no shortage of challenges, from geopolitical tensions and inflation concerns to ongoing trade uncertainty and questions surrounding the pace of economic growth. Despite these headwinds, markets have remained remarkably resilient.

What stands out most to us is how many of the risks that dominated headlines earlier in the year have ultimately had less impact than initially feared. While periods of volatility tested investor confidence, economic growth has remained durable, labour markets have generally held up well, and several major concerns have eased as the year progressed. As a result, markets have continued to trend higher despite an environment that has often felt uncertain.



Thomson One (data via Refinitiv)

One of the most important themes shaping markets today continues to be artificial intelligence. While AI has been a dominant topic for investors over the last several years, we believe the broader economic impact may still be in its early stages. Across the economy, businesses are committing substantial resources toward technology infrastructure, software development, and research initiatives designed to improve productivity and drive future growth.

What makes this cycle particularly interesting is that AI is evolving from being simply a market theme into a meaningful driver of corporate investment. The scale of capital being allocated toward technology and innovation today increasingly resembles past transformational periods, such as the early stages of the internet revolution. We continue to believe AI will play an important role in driving productivity, innovation, and corporate earnings growth over the coming years. While the long-term opportunity remains compelling, market leadership has become increasingly concentrated among a relatively small group of companies, reinforcing the importance of maintaining a disciplined and diversified investment approach alongside exposure to areas of growth.

Looking ahead to the second half of the year, our expectation remains that economic growth will continue at a moderate pace. Inflation appears to be moving in the right direction, labour markets remain relatively healthy, and ongoing investment in technology and productivity-enhancing initiatives should continue to support economic activity.

That said, we are not entering the remainder of 2026 with unchecked optimism. Inflation remains above long-term targets, geopolitical tensions continue to create uncertainty, and markets will undoubtedly face periods of volatility along the way. While we remain constructive on the outlook for equities and the opportunities available to long-term investors, we believe a balanced approach remains warranted.

Our message remains consistent: short-term uncertainty is part of the investment journey, but portfolios should be built around long-term goals rather than short-term market noise. By staying disciplined, diversified, and focused on the bigger picture, investors put themselves in the best position to navigate whatever opportunities and challenges lie ahead.

Over the past year, our practice has continued to evolve and expand, allowing us to provide even greater depth of expertise and support for our clients and their families. With the advancements of Chantelle Nault and Boedey Vaeth transitioning to the Wealth Advisor roles, our team supports clients across a broad range of planning needs, including investment management, comprehensive financial planning, insurance and risk management, estate and legacy planning, retirement income planning, support for young professionals, business succession and family transition planning. Through our Private Banking team, we can also help coordinate banking solutions such as mortgages, loans, lending, and credit facilities where appropriate.

As always, we are incredibly grateful for the trust and confidence you place in our team. Many of our best client relationships have come through introductions from existing clients, and referrals remain the greatest compliment we can receive. If you have family, friends, or business colleagues who may benefit from a conversation around their financial future, we would appreciate the opportunity to help.

Thank you for your continued trust and confidence. We look forward to working with you throughout the remainder of 2026 and beyond.

Sincerely,

The Zentner Wealth Advisory Group
Tel.: 204-283-9089 | Toll Free: 1-800-461-6314 | zag@nbc.ca
National Bank Financial (Transit: W21) 1000-400 St Mary Ave, Winnipeg, MB, R3C 4K5
-

Lev Zentner
Senior Wealth Advisor/ Portfolio Manager
Tel.: 204-283-9080
Fax: 204-942-6194
lev.zentner@nbc.ca

Boedey Vaeth, QAFP®
Wealth Advisor
Tel.: 204-283-9089
Fax: 204-942-6194
boedey.vaeth@nbc.ca

Chantelle Nault, CFP®
Wealth Advisor
Tel.: 204-283-9084
Fax: 204-942-6194
chantelle.nault@nbc.ca