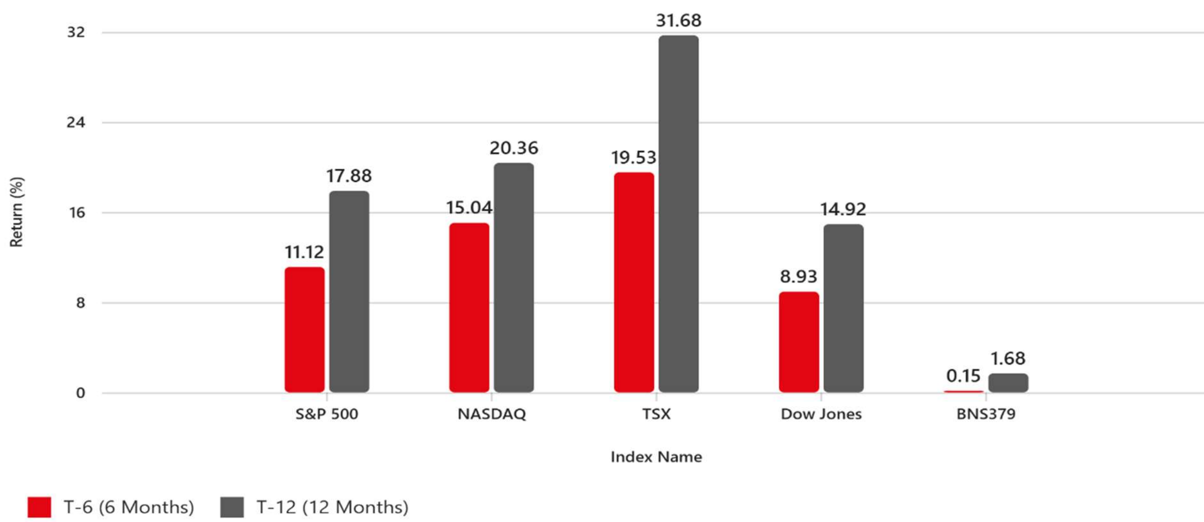
<u>Turning a Storm Into a Tailwind: A Year in Review</u>

As we look back on the second half of 2025 and step into 2026, one theme stands out above all: what began as uncertainty ultimately became an opportunity. Much like navigating through rough waters, staying the course during last year's volatility proved to be the right approach.

The spring of 2025 brought no shortage of turbulence. Surging U.S. tariffs triggered a sharp spike in market volatility, and for a brief moment, fear dominated headlines. During what many referred to as "Liberation Day," equity markets experienced one of the worst weeks since the early COVID era. Yet, as is often the case, markets showed incredible resilience. Inflation pressures did not spiral as feared, central banks delivered expected rate cuts, and confidence gradually returned. By year-end, markets had not only stabilized—they finished on a strong footing.



Thomson One (data via Refinitiv)

Despite the rocky start to the year, global equities closed 2025 with above-average gains for the third consecutive year, supported by easing monetary policy and improving economic momentum. Canadian equities were a standout performer, benefitting from strength in materials—particularly gold miners—and renewed optimism across domestic sectors. Meanwhile, fixed income markets faced mixed results. Even as the Bank of Canada cut rates multiple times, longer-term bond yields held firm, limiting fixed income returns. This made equities an even more important contributor to portfolio performance.

Another important dynamic in 2025 was the continued weakness of the U.S. dollar, which had one of its worst years in decades. While this environment benefited U.S. exporters, it also meant that Canadian investors saw muted returns when translating USD-denominated assets back into Canadian dollars. Despite this, global equity strength offset much of the currency drag, keeping diversified portfolios firmly on track.

Throughout the uncertainty, our message remained consistent: volatility is a feature, not a flaw, of long-term investing. We emphasized maintaining discipline, trusting the process, and staying invested—especially during the stormiest moments. Those who stayed the course, rather than reacting to short-term noise, were rewarded as markets rebounded sharply heading into Q4.

Our outlook for 2026 is one of cautious optimism. Fiscal stimulus in the U.S., easing rates across major economies, and strong momentum in areas like AI-driven productivity are creating supportive conditions for continued growth. That said, risks remain—ranging from political uncertainty to shifting consumer sentiment—which we will continue to monitor closely. Diversification, discipline, and a long-term mindset remain the most important tools for navigating the path forward.

We're also pleased to share exciting news within our practice. Both Chantelle Nault and Boedey Vaeth have been moved into the Wealth Advisor roles. This transition reflects our continued growth and our commitment to strengthening the depth of service and expertise we offer. We're grateful for the trust you place in us and look forward to supporting you through the next chapter of your financial journey.

If you have questions, would like to review your portfolio, or want to discuss your financial plan, please don't hesitate to reach out.

Thank you for your continued confidence.

Sincerely,

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