

Tactical Asset Allocation

An Active Investment Management Strategy

In this Tactical Asset Allocation report, we provide insights and our short-term (<12 months) biases towards investing in various asset classes, geographic regions and equity sectors. We express these in summary tables showing underweight or overweight allocations, with further explanations in the following paragraphs. These tilts should be taken within context and in relation to our longer-term Strategic Asset Allocation report.

Tactical Asset Allocation

The tactical asset allocation approach is based on short-term (<12 months) market movements, business cycles, or other perceived opportunities and threats. It is considered a form of active management aimed at enhancing portfolio return potential, but it also exposes the portfolio to greater market and timing risks.

These tactical weightings should be considered within the context of our recommendations for each major asset class represented in our Strategic Asset Allocation report. Where possible or convenient, we have provided more detailed opinions on sub-segments of each major asset class.

Overview: Balance between Equities and Fixed Income – Remain Overweight Equities

Tactical Asset Allocation Tables are on pages 2 and 3, with detailed comments on individual asset classes starting on page 4.

The highest-level breakdown is typically the weighting of riskier equities investments versus less-risky fixed income components.

Since our last update in July, we've observed a renewed appetite for risk assets. The U.S. has reached trade deals with most major partners, with the notable exception of China, where negotiations are expected to take longer. Discussions with Canada and Mexico will likely now be wrapped into USMCA renegotiations. As tariffs have been repeatedly threatened, imposed, delayed, and partially rolled back, markets have developed a higher tolerance for trade-related uncertainty. As we progress further from 'Liberation Day', tariff concerns have been less pronounced, and the impacts seem more manageable for most major economies. 2Q25 earnings for both the S&P 500 and S&P/TSX Composite were impressive, with most companies exceeding expectations and management teams shifting focus away from trade concerns. Meanwhile, enthusiasm around A.I. has reaccelerated, with momentum spreading beyond the Magnificent Seven.

Additionally, both the Federal Reserve and the Bank of Canada (BoC) have resumed rate cuts after nine- and six-month pauses, respectively, and further fiscal stimulus measures are expected from both governments. While economic growth is likely to slow down, we continue to see compelling opportunities across regions and sectors, which should support equities in the near term.

Tactical Asset Allocation Table (by Asset Class)

Asset Class	Trailing 12M Total Return in Local Currencies	Since Last Update	Trailing 12M Total Return in CAD	Since Last Update	Underweight	Neutral	Overweight
Equities							
Canadian Equities	24.3%	10.1%	24.3%	10.1%			
U.S. Equities							
U.S. Large Cap Equities	16.6%	7.3%	18.1%	9.7%			
U.S. Mid Cap Equities	5.2%	3.6%	6.6%	5.9%			
U.S. Small Cap Equities	12.6%	11.4%	14.1%	13.9%			
Developed Markets Ex North America Equities	16.4%	7.6%	22.6%	9.2%			
Developed Markets - Europe Equities	14.0%	5.3%	23.1%	7.5%			
Developed Markets - Pacific Equities	21.3%	12.5%	21.3%	13.0%			
Emerging Markets Equities	24.0%	12.6%	25.5%	13.8%			
Fixed Income							
Canadian Government Bonds	4.6%	4.2%	4.6%	4.2%			
Canadian Investment Grade Corporate Bonds	6.7%	3.6%	6.7%	3.6%			
U.S. Treasury Bonds	5.5%	3.7%	6.9%	6.0%			
Asset Class	Price one year ago (10/21/2024)	Price at last update (7/18/2025)	Price currently (10/21/2025)				
CAD/USD	0.7229	0.7289	0.7132				
Oil (WTI, USD/bbl)	\$71.16	\$68.53	\$57.24				
Gold (USD/oz)	\$2,736.45	\$3,355.10	\$4,169.60				

* arrow direction and length indicate direction and extent of change since our last update (7/18/2025). Data as of October 21, 2025. Returns of fixed income indices are proxied by their corresponding iShares ETFs.

Tactical Sector Allocation Table (by TSX Sector)

S&P/TSX Composite Sector (Sector Weight)	Trailing 12M TR	TR Since Last Update*	Historical P/E NTM Median	Current P/E NTM	Underweight	Neutral	Overweight
Financials (32.1%)	28.0%	8.5%	11.4x	12.8x			
Energy (15.2%)	10.8%	6.5%	14.7x	17.0x			
Industrials (11.5%)	4.6%	-1.4%	16.0x	22.0x			
Materials (16.1%)	52.3%	32.5%	16.9x	15.4x			
Information Technology (10.6%)	51.2%	14.5%	23.1x	41.4x			
Consumer Staples (3.5%)	13.0%	-0.2%	16.0x	17.9x			
Utilities (3.7%)	19.8%	10.9%	18.0x	22.6x			
Consumer Discretionary (3.2%)	18.9%	3.4%	14.4x	17.3x			
Communication Services (2.2%)	-6.2%	4.0%	15.7x	13.5x			
Real Estate (1.7%)	2.4%	4.5%	14.6x	14.6x			
Health Care (0.3%)	-2.7%	11.6%	15.7x	7.1x	N/A		

*Date range: 7/18/2025 - 10/21/2025

Equities

Canadian Equities

The S&P/TSX Composite Index has continued to stand out since our July update. Gold miners have been a major driver of its stellar performance, but even excluding the gold sub-industry, the index has slightly outperformed the S&P 500, supported by a Canadian economy that has proven more resilient than expected, with the impact of tariffs being less than initially feared, although certain industries like automotive, steel, and aluminum have been particularly hard hit. As of August, Canadian exports to the U.S. were down nearly 22% from January, but the good news is that the USMCA agreement has shielded about 85% of U.S.-bound products from tariffs.

More than nine months after the initial tariff threats, some industries are indeed feeling the strain, but the Canadian economy appears likely to avoid a technical recession, and the overall tariff impact remains manageable. Although households have begun drawing down savings to sustain spending, the savings rate of around 5% remains healthy by historical standards, suggesting no immediate risk of a sharp pullback in consumption. Meanwhile, the core-age unemployment rate has risen but is showing signs of stabilizing, and with immigration and the labour force basically flat, a significant spike in joblessness appears less likely.

The index is now trading at a higher premium than in July, with a forward P/E of 16.4x, placing it in the 84th percentile historically (since 2000). However, except for Energy and Utilities, the recent gains across most sectors have been driven primarily by earnings growth rather than multiple expansion. We see limited scope for further valuation expansion outside the Materials sector and expect earnings growth to remain the main driver of market performance. The 3Q25 earnings season has just begun, with consensus estimates calling for 9.8% year-over-year growth. This figure is heavily skewed by a 75% surge in Materials earnings, while Financials and Information Technology sectors are also showing meaningful earnings growth expectations.

Sector performance has also started to diverge. Sectors with greater exposure to U.S. trade, including Consumer Staples, Consumer Discretionary, and Industrials, have underperformed, while Materials and Information Technology, which are either benefiting from, or more insulated against, U.S. tariffs, have outperformed. Although U.S.–Canada trade tensions have eased somewhat compared with earlier in the year, tariff-related disruptions will likely take time to work through the system, meaning pressure on the lagging sectors may persist in the near term.

Investors should also watch for the federal budget announcement on November 4, which is expected to provide more details on national-building initiatives and large-scale public investments, particularly in infrastructure, energy, and industrial development; areas that could help offset some of the tariff impact. In addition, A.I. enthusiasm continues to fuel the TSX Information Technology sector, a trend we expect to persist, although selectivity remains key given that much of the sector is concentrated in IT services and software, which face greater uncertainty than hardware and semiconductor-related businesses.

Detailed comments on individual TSX Composite sectors start on page 13.

U.S. Equities

Since our July update, U.S. equities have held up well through August and September, which are typically softer months from a seasonality standpoint, and have extended their rally that began in early April. While trade uncertainty remains an overhang **and it's still** premature to gauge the full economic impact, recent developments suggest that global trade has proven more adaptable than expected.

The situation is proving to be more dynamic than consensus assumed, creating a meaningful gap between the effective tariff rate (often calculated based on 2024 trade patterns) and the actual tariff rate. For example, U.S. importers have shifted sourcing toward lower-tariff countries more than anticipated, helping to moderate the overall impact. This flexibility has softened the immediate impact but could also stretch out the adjustment period, as supply chains continue to realign.

The dip on October 10 served as a reminder that trade uncertainty can still spark renewed market volatility. That said, part of the pullback likely reflected a market that had been looking for an excuse to pause after a strong run. We expect U.S.–China trade negotiations to remain prolonged, but after more than seven months **of engagement, both sides likely have a better understanding of each other's priorities and constraints, which** should make discussions more efficient and reduce the risk of escalation compared to earlier rounds.

Another source of uncertainty has emerged with the U.S. government shutdown that began on October 1. Historically, shutdowns have had limited direct impact on markets, as investors tend to look past political noise. Similarly, we are not overly concerned about the shutdown itself, but rather about its impact on the availability of economic data. An increasing number of official data releases have been delayed, and even **when published, data quality may be compromised. This could ultimately affect the Fed's policy decisions** and raise the risk that markets misprice the pace of future rate cuts. With fewer official data points available, both the Fed and investors may have to rely on alternative indicators, which tend to be less comprehensive and more volatile.

Nonetheless, we remain cautiously optimistic on U.S. equities. While the wall of worries continues to grow, several underlying themes, including A.I. innovation, productivity gains, and solid earnings growth, should continue to support the market. These forces are closely interconnected and have worked well so far. Compared with the dot-com period, we believe A.I. adoption is still in its early stages, more akin to 1998 than 2000. The current wave of capex investment has been well received by the market and should continue to fuel momentum.

Productivity growth has been outpacing wage growth, supporting corporate profit margins and helping explain why the initial tariff shock has not hurt earnings as much as expected. We expect earnings growth to remain the key market driver, as valuations are already elevated. Economic growth is likely to moderate as the lagged effects of tariffs filter through the economy, but spending by higher-income households, supported by wealth effects, may help offset softness among lower-income consumers, keeping overall consumer spending resilient.

Finally, a large amount of cash remains parked in money market funds, which surged during COVID and has **continued to build as the Fed's policy rate stays elevated. As rates begin to decline, some of this cash is likely** to flow back into risk assets, adding liquidity and support to equities.

While these positive and negative forces will likely have uneven effects across different segments of the U.S. equity market, we continue to maintain a slight overweight in U.S. equities overall.

U.S. Large Cap

While we remain cautiously optimistic on U.S. equities over the next 12 months, we continue to have greater confidence in the largest of the U.S. companies to have the financial resources, supply chain flexibility, and diversity of revenue to most successfully weather the tariff storm. That group is generally represented by the S&P 500.

Market breadth has moderately improved since our last update. The median number of individual stocks reaching new 200-day highs per day rose to 24, with a range of 0 to 60, nearly double the levels seen from December 2024 to July 2025, although still below the levels from early 2024, when the median was 40 and the range extended up to 130.

As 2025 has progressed, performance within the Magnificent Seven has become more mixed compared with 2023 and 2024. The gap between their returns and the broader market has narrowed, with a few names even lagging. **It's too early to tell** whether the laggards among the Magnificent Seven are taking a breather or if a broader shift in market leadership is emerging. However, this may signal the next phase of A.I. diffusion, as a wider range of tech-related companies begin to benefit from A.I. adoption, rather than gains being concentrated in just a handful of mega-cap leaders.

The S&P 500's valuation remains elevated, with the forward P/E ratio at 22.8x, placing it in the 96th percentile historically (since 2000). The encouraging news is that earnings continue to trend higher. As we anticipated earlier in the year, earnings are doing the heavy lifting. Year-to-date, earnings growth (+8.9%) has driven most of the total return (+15.7%), and this pattern has become even more evident since our July update, with earnings up 5.0% versus a 7.3% total return.

Since July, defensive sectors (except for Consumer Staples) have seen notable multiple expansion, while most cyclical sectors have experienced modest multiple compression, a sign of sector rotation as the labour market cools and household sentiment weakens. Looking ahead, we see limited room for further multiple expansion, particularly within Technology, but **expect above-trend earnings growth to sustain the market's upward momentum**. Within that context, we continue to favour tech-related companies tied to the A.I. theme, which we believe remain in the early stages of a multi-year growth cycle. These firms are driving much of the productivity and earnings strength underpinning the broader market. The 2Q25 earnings season delivered a major upside surprise, with 11.7% year-over-year growth, more than double the 4.8% forecast, and 3Q25 earnings are expected to grow 8.4%, still above the long-term average of ~7%.

Overall, we continue to favour U.S. large-cap stocks over the more economically sensitive mid- and small-cap segments. Their globally diversified operations and greater exposure to the tech sector offer added resilience in the current environment.

U.S. Mid Cap

We continue to view U.S. mid-caps as a compelling long-term opportunity for investors seeking diversification beyond large caps. However, as we wait for the full effects of tariffs to flow through the economy and supply chains, we expect mid-caps to face more near-term pressure than the larger-cap constituents of the S&P 500.

The S&P 400 MidCap Index is currently trading at a P/E of 16.7x, near its long-term median of 16.4x, suggesting more reasonable valuations compared with the S&P 500. That said, a few headwinds remain. Mid-caps have significant exposure to the Industrials sector, which initially appeared well-positioned under the reindustrialization theme. However, mid-cap industrials source roughly 60% of their cost of goods sold (COGS) from outside the U.S., versus 40% for large-cap peers, making them more vulnerable to tariffs, trade disruptions, and a weaker U.S. dollar. Additionally, as the A.I.-driven rally continues, mid-caps' **limited** exposure to technology may constrain participation in this ongoing growth theme.

In addition, several regional U.S. banks have recently flagged rising credit risks and instances of fraud, which has raised concerns about the mid-cap financials sector. This segment accounts for roughly 16% of the overall index, with significant exposure to regional banks. Compared with larger national or multinational institutions, regional banks are more sensitive to economic conditions due to their concentrated loan portfolios and less diversified funding sources, making their earnings more volatile.

While these banks could eventually benefit from potential deregulation and lower corporate taxes under the current U.S. administration, such tailwinds are likely to take time to materialize. Beyond the financials sector, mid-cap companies in general remain more exposed to middle-income consumer spending, leaving them more vulnerable in the current bifurcated consumer environment.

Ultimately, the sustainability of mid- and small-cap outperformance will depend on earnings growth and a supportive macro backdrop, particularly declining interest rates. There are early signs of earnings improvement, **although it remains too soon to gauge durability. The Fed's more dovish stance compared with 1H25** is a positive development. In our view, it makes sense to remain patient and allow macro conditions to stabilize while looking for buying opportunities. As such, we maintain a slight overweight in mid-caps, although neutral against our overall positive bias towards U.S. equities in general.

U.S. Small Cap

Both the Russell 2000, which tracks a broad range of U.S. small caps, and the S&P 600, which focuses on higher-quality companies that meet stricter fundamentals, outperformed the S&P 500 since our last update. The Russell 2000 delivered the stronger gains, reflecting its greater sensitivity to the economic outlook and shifts in investor sentiment. The Russell 2000 is currently trading at a P/E of 26.5x, above its long-term median of 20.0x, while the S&P 600 trades at a P/E of 15.9x, slightly below its historical median of 16.5x.

The earnings outlook for small caps is showing signs of improvement, but with volatility likely to rise in the coming months, we see heightened risk in this segment. In addition, there is also a possibility that markets are pricing in more Fed rate cuts than may ultimately materialize, which would disproportionately affect small caps relative to large and mid-caps. We believe it is too early to increase exposure until earnings growth proves sustainable and macro conditions stabilize. As such, we remain neutral on small caps, and underweight relative to our overall positive U.S. equities allocation.

International Equities (Developed and Emerging Markets)

International exposure can be gained through mutual funds and ETFs that focus their exposure outside North America. Adding international exposure to a portfolio helps enhance diversification, which typically results in a smoother return pattern.

In a broader sense, we generally consider International Equities exposure aligned with the MSCI EAFE index, which provides exposure to large and mid-cap companies across developed markets (DMs), excluding the U.S. and Canada. This generally includes Europe (the U.K., France, Germany, Switzerland, and others), Australasia (Australia and New Zealand), and the Far East (Japan, Hong Kong, Singapore, and others).

To further enhance the risk-adjusted return of portfolios, we also incorporate emerging markets (EMs) equity as an asset class. EMs generally offer higher growth potential compared to DMs, but they also come with increased risk and volatility. These markets tend to experience larger losses during downturns due to their "less-established" nature. However, the relatively low correlation between EMs and North American equity markets means that a well-considered allocation to EMs can improve the overall risk-adjusted return of the portfolio. We use the MSCI EM index to represent EMs.

Developed Markets (DMs)

Developed market equities have delivered mixed performance. In the Pacific region, Japanese equities led gains, **although the rally's sustainability remains uncertain. In Europe, most major markets**, except the U.K., have lost momentum since our last update. Growth remains subdued, constrained by tariff disruptions, weak manufacturing activity, and elevated policy uncertainty, which is likely to prompt the ECB to resume rate cuts next year. **The boost from Germany's fiscal stimulus has been smaller than expected, while U.K. growth is modestly stronger but still below trend due to higher policy rates and upcoming tax increases.**

Compared with these regions, we see stronger fundamentals and earnings momentum in U.S. equities, supported by A.I. developments and productivity gains. Overall, we remain cautious on developed markets excluding the U.S. and Canada, maintaining a slight underweight in the Pacific and shifting from a slight overweight to neutral in Europe.

Europe

Since our last update, most major European markets have underperformed Canada, even after accounting for currency appreciation against the Canadian dollar.

Looking ahead, Eurozone GDP growth is expected to remain soft and below its long-term average next year, as U.S. tariff disruptions continue to weigh on manufacturing activity, reflected in low capacity utilization, **subdued business sentiment, and a sharp rise in policy uncertainty following events such as Lecornu's resignation and rapid re-instatement in France.** A high household savings rate suggests reluctance to spend, while slowing job creation points to moderating wage growth, despite a relatively tight labour market. Together, these factors may prompt the ECB to resume rate cuts next year. In Germany, the boost from fiscal stimulus is likely to be smaller than initially expected, while in the U.K., growth should outpace the Eurozone but still lag its long-term average, as tariff impacts are more limited but higher policy rates and upcoming tax increases weigh on rate-sensitive sectors.

Overall, the muted economic outlook, less impactful fiscal measures, and Europe's limited exposure to technology and A.I. investment lead us to reduce our slight overweight in European equities to a neutral position.

Pacific

Both Japanese large-cap stocks and the broader market have led gains among major developed markets, although the economy faces challenges. Sanae Takaichi, who supports simultaneous fiscal and monetary easing, has become the new prime minister. This pushed the Nikkei 225 up 4-5% on expectations of better corporate profits, domestic demand, and exports, but also drove a sharp depreciation of the yen against the U.S. dollar and led markets to push back expectations for rate hikes. However, given the potential for inflation and currency instability, the Bank of Japan may have limited scope to loosen monetary policy. Looking ahead, while BoJ rate hikes may be delayed, the contrast with potential Fed rate cuts could still lead to a stronger yen, **which would pressure Japanese exporters' profit margins. This risk is significant given that both the Nikkei 225 and MSCI Japan derive over 50% of revenues from overseas.**

In Australia, the economy rebounded in 2Q25, and the market's heavy exposure to the materials sector could support returns amid firm commodity prices.

Overall, we maintain a slight underweight in developed Pacific markets.

Emerging Markets (EMs)

The MSCI Emerging Markets Index has rallied and outperformed most DMs since our last update. The outperformance was driven largely by China, where the economy is showing signs of a mild cyclical upturn, supported by fiscal stimulus and policy easing. Massive government investment in technology and the **ongoing A.I. race with the U.S. have fueled investor interest in China's tech sector, while the rare earth industry has also gained attention as a strategic lever in trade negotiations.**

Although U.S. tariffs have weighed heavily on China, there is evidence that it is successfully diversifying export markets, particularly toward other emerging economies. Over six months since 'Liberation Day', EM exports have remained resilient, with many major EMs reporting stronger exports than at the start of the year. As anticipated in our earlier outlooks, other EMs, especially manufacturing-oriented economies that produce electronic goods, such as Thailand, Indonesia, and Malaysia, are benefiting from supply-chain realignment as **they absorb part of China's lost export share.**

That said, macroeconomic conditions vary widely across EMs, and given the higher risks typically associated **with these markets, we're maintaining a neutral stance for now.**

Fixed Income

Canada Government Bonds

Since our July update, Canada Government bond yields have gradually declined across the curve, with the short and intermediate maturities falling slightly more than the long end (20Y–30Y). As a result, the yield curve has continued to steepen modestly. After more than two years of normalization, the 2s10s spread has moved from –132 bps to +69 bps, driven mainly by the drop in 2-year yields, while 10-year yields have remained around 3% to 3.5%.

With trade uncertainty still elevated and the full impact of tariffs yet to be felt, we expect underlying economic softness to become more evident, reflected in continued weakness in manufacturing and services, along with subdued housing activity. The fiscal stimulus package to be announced on November 4 remains a key unknown. A larger package could limit further declines in short- to intermediate-term yields and put moderate upward pressure on long-term yields due to increased government debt levels.

If the yield curve continues to steepen, we expect it will be driven mainly by declines at the front to mid-end of the curve, therefore, we continue to view maturities beyond 10 years as less attractive. Overall, Canada government bonds continue to offer meaningful portfolio diversification, but with limited upside given the steepening already in place. As such, we maintain a slight underweight, consistent with our overall positioning in fixed income.

Canada Investment Grade Corporate Bonds

Despite elevated tariff uncertainty and signs of economic slowing, the spread between Canadian investment-grade (IG) corporate bonds and sovereign bonds has barely moved since our July update and remains at a historically tight level. This indicates that IG corporates are still priced for perfection.

Looking ahead, we see asymmetric risks stemming from ongoing tariff-related challenges. If tariffs weigh more heavily on the economy than expected, spreads could widen, while even in a scenario where Canada and the U.S. reach a favourable trade agreement, there appears to be limited room for further tightening.

Given the limited upside potential, we maintain a slightly underweight in Canadian IG corporate bonds.

U.S. Treasuries

The U.S. Treasury yield curve has also shifted lower across maturities since our July update, although the transition has been less smooth than in Canada. At the front end, we expect the steepening trend to continue and anticipate two additional 25 bps Fed rate cuts by year-end 2025. Markets are currently pricing in three more cuts in 2026, which we view as somewhat aggressive at this stage.

While ongoing trade negotiations, particularly with China, may pose short-term economic headwinds, the talks appear increasingly prolonged. Also, **as both sides seem to have a better grasp of each other's priorities**, reducing the risk of escalation compared to earlier rounds.

The 10-year Treasury yield has eased from 4.5% in July to around 4.0%, and we expect it to remain range-bound between 4.0% and 4.5% in the near term, with limited room for further meaningful declines. Fiscal deficit concerns, questions about Fed independence, and resilient growth supported by productivity gains are likely to keep long-term yields elevated.

As with Canadian government bonds, we do not see value in extending duration at this point and prefer short- to intermediate-term maturities. We therefore maintain a slight underweight in U.S. Treasuries.

FX & Commodities

CAD/USD

The U.S. dollar's strength has remained muted against other major global currencies since April, with the DXY index trading in a narrow range between 96 and 100. Although the dollar attempted a modest rebound in early October amid falling rate expectations in other major economies, the renewed escalation of U.S.–China trade tensions quickly reversed that trend. Meanwhile, CAD has been one of the weaker major currencies in recent months. This weakness reflects the significant gap between Canadian and U.S. two-year yields, as well as **subdued oil prices, both of which have contributed to the CAD's depreciation against the USD.**

Looking ahead, several factors could shape the direction of CAD/USD, **including Canada's federal budget** announcement on November 4, interest rate decisions from both the Bank of Canada and the Federal Reserve, and ongoing trade negotiations between Canada and the U.S., as well as between the U.S. and other major trading partners, particularly China.

If the Canadian government announces strong fiscal spending, it would likely support economic growth and strengthen the Canadian dollar. On the other hand, limited stimulus could keep growth expectations muted, which may weigh on the CAD.

From a monetary policy perspective, we expect one more rate cut from the BoC this year. That would bring the policy rate to 2.25%, the lower end of its estimated neutral range, meaning any further cuts would likely require a high threshold. For the Fed, our base case includes two more cuts in 2025. However, markets are currently pricing in three additional cuts for 2026, a scenario we believe may be overly aggressive.

In the near term, central bank moves could support CAD relative to USD. But if the U.S. economy proves more resilient than expected, fewer rate cuts than currently priced in could boost the USD in the future. For now, **we're sticking with our base case and** maintaining a slight bias toward CAD over the next 12 months.

Oil

In our July update, we maintained a slight underweight in oil, anticipating downside pressure on prices. Since then, while prices experienced a few brief upticks driven by short-lived geopolitical concerns, the overall trend has remained downward. The key factor behind this weakness is the growing market surplus, largely fueled by

OPEC+'s decision to ramp up production since April. The group appears focused on regaining market share, even at the expense of softer prices.

WTI crude is currently trading around US\$57/bbl, representing a 20% decline year-to-date and a 15% drop since our July update. **Although China's expanding strategic reserves have provided some near-term support**, this has merely stabilized prices rather than offset the global oversupply. Given lower production costs in OPEC+ countries than in the U.S., we could see production cuts if prices fall below US\$50/bbl, but even at under US\$60/bbl, **there's likely to be limited appetite for new drilling.**

Looking ahead, we expect the full impact of higher output to continue weighing on oil prices in the coming months. As a result, we maintain a slightly underweight bias on oil.

Gold

Gold prices have risen around 55% year-to-date, putting the metal on pace for one of its five best annual performances in more than a century. Naturally, investors are wondering whether this rally can continue. The risk-reward balance has become less appealing as inflation pressures ease and markets have grown more tolerant of tariff developments. The 5.3% pullback on October 21 shows that some short-term corrections are normal after such a strong run. Even so, several factors still support the longer-term bull case for gold. Falling real yields reduce the opportunity cost of holding gold, while central bank purchases are likely to remain well above pre-2022 norms, with consistent buying from China, Poland, and Turkey. In addition, institutional and **retail demand is picking up, particularly through ETFs, as investors increasingly recognize gold's role as a portfolio diversifier and fear of missing out (FOMO) entices more investors to add positions.**

This reinforces why having some gold exposure continues to make sense, even after the recent price surge. During the last five S&P 500 corrections of greater than 10%, both gold and the TSX gold sub-industry (gold miners) posted the strongest returns, 4.1% and 1.1% respectively, while more growth-oriented segments such as semiconductors (-29.3%) and U.S. small caps (-26.8%) significantly underperformed. For the Magnificent Seven, given the relatively short period since all constituents became established, the average is based on the last three correction periods, showing a similar decline of -29.7%. This suggests gold can provide effective **downside protection within a portfolio that's otherwise tilted toward risk-on areas like A.I.-related tech and small caps.**

It's also worth noting that the TSX gold sub-industry has historically shown a beta of around 1.5 to the price of gold, meaning that for every 1% move in the gold price, gold-mining stocks have tended to move about 1.5% in the same direction. This sensitivity typically rises during periods of heightened volatility because production costs tend to remain stable, so movements in gold prices can lead to even larger shifts in profitability. A good example came in 2025, when gold miners demonstrated that higher gold prices translated into stronger free cash flow generation, and their stocks rallied even more than the metal itself. In addition, gold-mining companies can offer potential income through dividends and share buybacks, a feature that physical gold or gold-backed ETFs generally do not provide. However, miners are also subject to business-cycle and operational risks, and their performance may deviate from the underlying gold price. These distinctions are important when determining how best to gain gold exposure. The right approach, whether through direct holdings, ETFs, or **gold-mining equities, ultimately depends on an investor's risk tolerance, income objectives, and diversification needs.**

S&P/TSX Composite Sector Commentary

See the full list of sector constituents in the Appendix

Financials: This sector has outperformed the S&P/TSX Composite ex-gold subindustry since the last update, however, performance across its constituents has been mixed. Banks, being cyclical in nature, have held up well, supported by the Canadian economy's stronger-than-expected/feared resilience. Although tariff uncertainty has temporarily slowed loan growth, previous Bank of Canada rate cuts and expectations for further easing have lowered funding costs, helping to sustain profitability. Banks also proactively increased provisions for credit losses (PCLs) in anticipation of a downturn, but the absence of financial system stress has boosted confidence in their earnings outlook. In contrast, the Financials sector was weighed down by weakness in insurance, where despite better-than-expected 2025 results, revised guidance signaling slower growth in personal auto and international premiums dampened sentiment. Meanwhile, despite the recent choppiness, the capital markets industry should continue to benefit from resilient equity markets reaching new highs. Overall, with manageable tariff disruptions and expected fiscal support, we maintain our overweight bias on the Financials sector.

Energy: The sector delivered much stronger performance since our last update compared with the first half of the year. However, most of the gains came from multiple expansion rather than earnings improvement. Oil prices remained relatively muted, despite occasional spikes driven by geopolitical tensions. OPEC+ remains committed to gradually unwinding voluntary production cuts, and together with subdued global demand, this could continue to exert downward pressure on oil prices. The good news is that the first set of "nation-building projects", announced on September 11, included several major initiatives in the energy sector, such as Pathways Plus and LNG Canada Phase 2, which should support long-term investment, production capacity, and infrastructure development. In addition, the sector has also benefited from the BoC's rate cuts, as its dividend yields now appear more attractive. Nonetheless, given the soft outlook for oil prices, we continue to maintain a slight underweight bias for now.

Industrials: The sector has largely been in a consolidation phase since mid-May, with mixed performance across industries. Ground transportation, environmental and facilities services, passenger airlines, and machinery have lagged, while construction and engineering, aerospace, and defence have held up relatively well. As most of Canada's exports to the U.S. remain tariff-free under the USMCA umbrella, the impact of tariffs has so far been manageable. Although the initial enthusiasm around increased national defence and infrastructure spending, which had boosted the Industrials sector, appears to be fading, companies well-positioned in these areas are still expected to benefit over the longer term. In the near term, however, given the sector's cyclical nature and its revenue exposure, performance remains closely tied to global economic and geopolitical developments. As such, we have increased our underweight stance on this sector, relative to the previous update.

Materials: The sector has been the primary driver behind the TSX Composite's outperformance relative to the S&P 500 year-to-date. While the gold sub-industry was a standout (see detailed commentary in the Gold section), diversified metals, copper, and silver also posted strong gains since our last update, whereas

containers and packaging and forest products lagged. For copper, despite the 50% U.S. tariff that took effect on August 1, prices were supported by operational disruptions at Grasberg (the world's largest gold mine and second-largest copper mine), political uncertainty in key producing regions, and structural industry constraints that have tightened supply. Similarly, silver has also shone, reaching a 14-year high of around US\$53 per ounce, driven by robust investor demand. Although it has since eased to about US\$48 per ounce, prices remain at historically elevated levels. We remain constructive on the Materials sector, given that over 90% of its composition lies within metals and mining, which continue to benefit from favourable market dynamics and supply-demand fundamentals. Thus, we have increased our overweight stance on this sector relative to the previous update.

Information Technology: Despite strong overall performance in the sector, gains were once again concentrated among a few names. The sector benefited from continued optimism around A.I., its substantial U.S. revenue exposure, and its cyclical nature, which positioned it well to capitalize on improving market sentiment.

However, while we maintain an overweight position for this sector, selectivity is important given the current state of the A.I. trend, particularly in the Canadian market, where the sector is primarily composed of software and services companies, unlike its more diversified U.S. counterpart. Technological innovation typically progresses from infrastructure and hardware to applications, which increasingly involve software. This helps explain why the S&P 500 Semiconductor industry and the TSX Composite Electronic Equipment industry significantly outperformed within their respective Information Technology sectors in 2023 and 2024. While many factors influence company performance, application-focused companies face an added layer of uncertainty. Success requires not only proven underlying technology but also market validation that the application delivers value and meets demand. In the context of the A.I. boom, software and application companies must also consider whether their core competencies or business models are vulnerable to creative destruction, such as from generative or agentic A.I.

Looking ahead, the trajectory for these companies could vary widely. We favour those with well-established business models prior to the A.I. boom, a distinct competitive moat, healthy cash flow, and a disciplined approach to A.I. investment and integration.

Consumer Staples: The sector continues to experience choppy performance. Within it, the two primary industries, packaged foods and grocers, have diverged meaningfully, with packaged foods rallying while grocers remain under pressure. For grocers, the shifts in consumer behaviour toward discounts and promotions continue to weigh on their pricing power and profitability. Even though a stronger Canadian dollar helps reduce costs for U.S. imports, the increasing share of produce coming from other countries introduces FX-related uncertainties or costs that could offset those benefits. Looking ahead, the removal of counter-tariffs on most U.S. goods may help ease cost pressures for grocers. Additionally, a potential increase in at-home dining amid a slowing economy could provide a modest tailwind for the sector. Overall, we remain slightly underweight in this sector.

Utilities: The Utilities sector has regained momentum since mid-September, partly due to the Bank of Canada's decision to resume rate cuts after a six-month pause, which renewed concerns about economic slowdown and increased demand for defensive sectors. We continue to favour Utilities, as the sector is largely

insulated from tariff impacts and could benefit from potential government support measures ahead. Optimism around future power demand remains strong, driven by A.I.-related infrastructure growth. While the Canadian economy has proven more resilient than expected under tariff pressures, any meaningful slowdown in 2026 could prompt more capital rotation back into defensives. Additionally, lower policy rates should make **the sector's dividend yields more attractive. As such**, we have increased our overweight stance on Utilities relative to the previous update.

Consumer Discretionary: Although this sector underperformed the TSX Composite ex-gold subindustry since last update, it is more resilient than expected and still delivered a positive total return. Earnings growth was the main driver of performance, while valuation multiples contracted modestly. There have been some concerns about slowing growth in broadline retail, but overall fundamentals remain solid. So far, there has **been limited spillover impact from tariffs on Canada's economy, which has helped the sector remain more resilient than expected.** However, households have begun drawing down savings, and if the savings rate continues to fall toward pre-COVID levels, consumer cyclicals and services may face increasing pressure in the quarters ahead. As such, we have increased our underweight stance on this sector, relative to the previous update.

Communication Services: This sector has faced a challenging period since peaking in April 2022, but has been gradually recovering since 'Liberation Day'. The rebound reflects not only its relative insulation from tariff impacts, but also support from attractive dividend yields and a renewed focus on infrastructure and A.I.-related initiatives. Major players have announced significant investments in data centres to strengthen domestic A.I. capacity, while also expanding media and content platforms to diversify revenue streams. However, intensifying competition and immigration/demographic headwinds remain key challenges for the sector. Given this balance of positives and risks, we maintain a neutral stance.

Real Estate: Since our last update, the sector rallied into mid-September, but momentum faded after the BoC resumed rate cuts following a six-month pause. The rate cut reignited concerns about economic weakness and likely prompted some rotation of capital from cyclical to defensive sectors, weighing on REIT performance. Residential REITs have struggled in recent months amid slower population growth, while industrial and commercial demand appears to be stabilizing after earlier weakness. Looking ahead, the declining policy rate, which improves the financing environment, should provide additional support. We maintain a neutral stance on the sector.

Appendix – TSX Composite Index Constituents

Company	GICS Sub-Industry	Market Cap (C\$ mln)	Price Return - YTD	Price Return - Since Last Update*	P/E NTM	EPS NTM	Dividend Yield
Financials							
Royal Bank of Canada	Diversified Banks	\$ 288,641	18.5%	12.8%	13.7x	\$14.99	3.0%
Toronto-Dominion Bank	Diversified Banks	\$ 192,299	47.2%	11.5%	12.7x	\$8.84	3.7%
Brookfield Corporation	Asset Management & Custody Banks	\$ 156,693	14.9%	2.9%	16.3x	\$3.88	0.8%
Bank of Montreal	Diversified Banks	\$ 125,829	25.9%	12.0%	13.2x	\$13.32	3.7%
Brookfield Asset Management Ltd. Class A	Asset Management & Custody Banks	\$ 123,582	-1.7%	-8.1%	30.5x	\$2.51	2.3%
Bank of Nova Scotia	Diversified Banks	\$ 112,169	17.0%	19.2%	11.5x	\$7.88	4.9%
Canadian Imperial Bank of Commerce	Diversified Banks	\$ 105,223	24.5%	12.5%	12.5x	\$9.04	3.4%
Manulife Financial Corporation	Life & Health Insurance	\$ 75,687	0.9%	5.4%	10.3x	\$4.33	3.9%
National Bank of Canada	Diversified Banks	\$ 59,912	16.6%	6.5%	13.2x	\$11.59	3.1%
Fairfax Financial Holdings Limited	Property & Casualty Insurance	\$ 53,960	12.3%	-8.3%	8.5x	\$263.53	1.0%
Great-West Lifeco Inc.	Life & Health Insurance	\$ 53,763	22.1%	11.9%	11.3x	\$5.15	4.2%
Sun Life Financial Inc.	Life & Health Insurance	\$ 48,157	0.3%	0.3%	11.0x	\$7.81	4.1%
Intact Financial Corporation	Property & Casualty Insurance	\$ 46,312	-0.8%	-14.6%	14.9x	\$17.48	2.0%
Power Corporation of Canada	Life & Health Insurance	\$ 39,268	37.8%	13.8%	11.0x	\$5.63	4.0%
iA Financial Corporation Inc.	Life & Health Insurance	\$ 14,717	19.6%	10.0%	11.8x	\$13.55	2.5%
TMX Group Ltd.	Financial Exchanges & Data	\$ 13,702	11.2%	-12.8%	22.4x	\$2.19	1.8%
IGM Financial Inc.	Asset Management & Custody Banks	\$ 12,843	18.3%	23.9%	11.6x	\$4.68	4.1%
Onex Corporation	Asset Management & Custody Banks	\$ 8,002	3.9%	2.4%	-	-	0.3%
Definity Financial Corp.	Property & Casualty Insurance	\$ 7,886	10.9%	-16.9%	17.9x	\$3.62	1.2%
EQB Inc	Regional Banks	\$ 3,385	-10.7%	-13.4%	8.2x	\$10.75	2.5%
Sprott Inc.	Asset Management & Custody Banks	\$ 2,979	90.5%	11.5%	31.9x	\$3.62	1.5%
goeasy Ltd.	Consumer Finance	\$ 2,590	-3.4%	-7.0%	7.6x	\$21.26	3.6%
Trisura Group Ltd.	Property & Casualty Insurance	\$ 1,772	-4.4%	-15.9%	11.5x	\$3.24	0.0%
Laurentian Bank of Canada	Diversified Banks	\$ 1,440	11.6%	3.3%	9.7x	\$3.33	5.8%
Energy							
Enbridge Inc.	Oil & Gas Storage & Transportation	\$ 144,546	8.7%	7.1%	20.9x	\$3.17	5.7%
Canadian Natural Resources Limited	Oil & Gas Exploration & Production	\$ 87,539	-5.6%	-0.9%	12.5x	\$3.35	5.6%
TC Energy Corporation	Oil & Gas Storage & Transportation	\$ 74,890	7.5%	9.9%	18.8x	\$3.82	4.7%
Suncor Energy Inc.	Integrated Oil & Gas	\$ 64,921	4.3%	0.4%	13.7x	\$3.90	4.3%
Imperial Oil Limited	Integrated Oil & Gas	\$ 60,867	35.0%	5.8%	15.7x	\$7.60	2.4%
Cameco Corporation	Coal & Consumable Fuels	\$ 50,501	56.9%	7.1%	60.2x	\$1.93	0.1%
Cenovus Energy Inc.	Integrated Oil & Gas	\$ 41,952	7.0%	20.7%	14.7x	\$1.58	3.4%
Pembina Pipeline Corporation	Oil & Gas Storage & Transportation	\$ 30,830	-0.1%	3.9%	17.4x	\$3.04	5.4%
Tourmaline Oil Corp.	Oil & Gas Exploration & Production	\$ 23,593	-8.3%	-1.6%	12.4x	\$4.92	3.3%
ARC Resources Ltd.	Oil & Gas Exploration & Production	\$ 14,711	-3.0%	-7.0%	8.6x	\$2.93	3.0%
Whitecap Resources Inc.	Oil & Gas Exploration & Production	\$ 12,539	-0.2%	2.5%	10.7x	\$0.95	7.2%
Keyera Corp.	Oil & Gas Storage & Transportation	\$ 9,776	-3.0%	-3.5%	15.8x	\$2.69	5.1%
South Bow Corp	Oil & Gas Storage & Transportation	\$ 7,606	7.7%	-0.9%	14.8x	\$2.46	7.8%
MEG Energy Corp.	Oil & Gas Exploration & Production	\$ 7,361	22.8%	8.8%	18.7x	\$1.55	1.5%
Parkland Corporation	Oil & Gas Refining & Marketing	\$ 6,929	22.1%	2.7%	12.1x	\$3.28	3.6%
Energy Fuels Inc.	Coal & Consumable Fuels	\$ 6,672	291.5%	125.7%	438.2x	\$0.07	0.0%
NexGen Energy Ltd.	Coal & Consumable Fuels	\$ 6,582	20.7%	19.9%	-	-\$0.18	0.0%
PrairieSky Royalty Ltd	Oil & Gas Exploration & Production	\$ 5,894	-10.0%	4.3%	24.7x	\$1.02	4.1%
Peyto Exploration & Development Corp.	Oil & Gas Exploration & Production	\$ 3,963	15.1%	1.5%	8.6x	\$2.30	6.7%
Secure Waste Infrastructure Corp.	Oil & Gas Refining & Marketing	\$ 3,918	9.6%	8.1%	18.9x	\$0.94	2.2%
Gibson Energy Inc.	Oil & Gas Storage & Transportation	\$ 3,870	-3.5%	-4.8%	15.4x	\$1.54	7.3%
Topaz Energy Corp	Oil & Gas Exploration & Production	\$ 3,777	-11.8%	-4.5%	49.7x	\$0.49	5.5%
Denison Mines Corp.	Coal & Consumable Fuels	\$ 3,425	46.4%	30.8%	-	-\$0.06	0.0%
Paramount Resources Ltd. Class A	Oil & Gas Exploration & Production	\$ 3,155	-31.0%	1.9%	8.7x	\$2.52	2.7%
Athabasca Oil Corporation	Oil & Gas Exploration & Production	\$ 3,135	19.3%	14.0%	12.1x	\$0.52	0.0%
NuVista Energy Ltd.	Oil & Gas Exploration & Production	\$ 3,105	15.4%	13.3%	8.7x	\$1.83	0.0%
Tamarack Valley Energy Ltd.	Oil & Gas Exploration & Production	\$ 3,014	26.7%	19.7%	25.8x	\$0.24	2.5%
TerraVest Industries, Inc.	Oil & Gas Equipment & Services	\$ 2,955	21.9%	-17.8%	29.4x	\$4.63	0.5%
Baytex Energy Corp.	Oil & Gas Exploration & Production	\$ 2,397	-15.7%	16.0%	42.3x	\$0.07	2.9%
International Petroleum Corp. (British Columbia)	Oil & Gas Exploration & Production	\$ 2,357	25.0%	-6.3%	43.0x	\$0.49	0.0%
Freehold Royalties Ltd.	Oil & Gas Exploration & Production	\$ 2,233	6.5%	2.8%	18.6x	\$0.73	7.9%
Enerflex Ltd.	Oil & Gas Equipment & Services	\$ 1,934	10.6%	44.7%	12.2x	\$1.30	0.9%
CES Energy Solutions Corp	Oil & Gas Equipment & Services	\$ 1,905	-11.8%	16.8%	9.7x	\$0.91	1.9%
Advantage Energy Ltd	Oil & Gas Exploration & Production	\$ 1,885	14.5%	-0.7%	8.9x	\$1.26	0.0%
Birchcliff Energy Ltd.	Oil & Gas Exploration & Production	\$ 1,731	17.0%	-8.6%	9.7x	\$0.65	1.9%
Parex Resources Inc.	Oil & Gas Exploration & Production	\$ 1,694	20.1%	19.2%	9.2x	\$1.90	8.8%
Headwater Exploration Inc.	Oil & Gas Exploration & Production	\$ 1,655	4.8%	-3.1%	9.9x	\$0.70	6.3%
Vermilion Energy Inc.	Oil & Gas Exploration & Production	\$ 1,558	-25.1%	-6.5%	37.1x	\$0.27	5.0%
Kelt Exploration Ltd.	Oil & Gas Exploration & Production	\$ 1,222	-12.7%	-21.9%	11.0x	\$0.56	0.0%

Company	GICS Sub-Industry	Market Cap (C\$ mln)	Price Return - YTD	Price Return - Since Last Update*	P/E NTM	EPS NTM	Dividend Yield
Industrials							
Thomson Reuters Corporation	Research & Consulting Services	\$ 101,723	-2.2%	-21.4%	37.8x	\$5.96	1.3%
Canadian Pacific Kansas City Limited	Rail Transportation	\$ 97,388	1.9%	-0.2%	20.3x	\$5.23	0.8%
Canadian National Railway Company	Rail Transportation	\$ 83,143	-8.7%	-2.5%	16.6x	\$8.01	2.7%
Waste Connections, Inc.	Environmental & Facilities Services	\$ 62,626	-1.4%	-3.0%	31.2x	\$7.80	0.7%
WSP Global Inc	Construction & Engineering	\$ 36,847	11.5%	-2.4%	26.4x	\$10.69	0.5%
RB Global, Inc.	Diversified Support Services	\$ 25,982	7.9%	-7.3%	24.3x	\$5.77	1.2%
GFL Environmental Inc	Environmental & Facilities Services	\$ 23,309	0.1%	-1.6%	75.4x	\$0.85	0.1%
Bombardier Inc. Class B	Aerospace & Defense	\$ 19,554	99.2%	17.6%	18.6x	\$10.46	0.0%
Stantec Inc	Construction & Engineering	\$ 18,112	40.8%	3.3%	26.5x	\$5.99	0.6%
Atkinsrealis Group Inc.	Construction & Engineering	\$ 15,883	25.7%	-2.2%	24.2x	\$3.96	0.1%
Element Fleet Management Corporation	Diversified Support Services	\$ 15,003	28.7%	4.5%	19.2x	\$1.94	1.4%
Toromont Industries Ltd.	Trading Companies & Distributors	\$ 13,074	41.4%	24.8%	24.5x	\$6.57	1.3%
CAE Inc.	Aerospace & Defense	\$ 12,704	8.5%	-0.9%	27.6x	\$1.44	0.0%
TFI International Inc.	Cargo Ground Transportation	\$ 11,182	-30.7%	11.2%	17.1x	\$7.86	1.9%
Finning International Inc.	Trading Companies & Distributors	\$ 9,380	86.5%	14.9%	16.0x	\$4.43	1.7%
Air Canada	Passenger Airlines	\$ 5,349	-18.9%	-14.0%	8.3x	\$2.18	0.0%
Boyd Group Services Inc	Diversified Support Services	\$ 4,555	-2.1%	0.8%	42.9x	\$4.95	0.3%
MDA Space Ltd	Aerospace & Defense	\$ 4,438	19.2%	-18.9%	23.1x	\$1.52	0.0%
Brookfield Business Partners LP	Industrial Conglomerates	\$ 4,287	42.4%	36.7%	12.4x	\$3.88	0.7%
Exchange Income Corporation	Passenger Airlines	\$ 4,014	31.7%	18.2%	17.1x	\$4.53	3.4%
	Industrial Machinery & Supplies & Components	\$ 3,683	-14.0%	-12.2%	18.1x	\$2.09	0.0%
ATS Corporation	Construction & Engineering	\$ 2,322	91.8%	28.6%	20.7x	\$3.33	1.1%
Badger Infrastructure Solutions Ltd	Trading Companies & Distributors	\$ 2,317	-1.7%	-7.5%	11.2x	\$3.69	4.2%
Russel Metals Inc.	Trading Companies & Distributors	\$ 2,080	-3.5%	7.8%	21.3x	\$1.77	1.6%
	Construction Machinery & Heavy Transportation Equipment	\$ 1,670	0.1%	-25.6%	9.8x	\$1.43	0.0%
NFI Group Inc.	Construction & Engineering	\$ 1,640	13.7%	0.3%	10.9x	\$2.71	2.8%
Bird Construction Inc.	Construction & Engineering	\$ 1,563	-9.0%	23.8%	20.4x	\$1.21	3.1%
Aecon Group Inc.	Construction & Engineering	\$ 1,266	-24.4%	-19.7%	13.8x	\$5.90	1.7%
Cargojet Inc.	Air Freight & Logistics	\$ 1,254	-1.1%	4.3%	11.6x	\$1.24	5.8%
Mullen Group Ltd.	Cargo Ground Transportation	\$ 1,254	-1.1%	4.3%	11.6x	\$1.24	5.8%
Materials							
Agnico Eagle Mines Limited	Gold	\$ 114,765	103.1%	41.4%	17.2x	\$13.26	1.0%
Barrick Mining Corporation	Gold	\$ 75,337	98.1%	55.3%	11.2x	\$3.95	1.2%
Wheaton Precious Metals Corp	Gold	\$ 60,971	66.0%	10.8%	31.8x	\$4.22	0.6%
Franco-Nevada Corporation	Gold	\$ 52,022	59.8%	27.4%	30.4x	\$8.88	0.8%
Kinross Gold Corporation	Gold	\$ 39,367	141.9%	53.7%	11.7x	\$2.77	0.5%
Nutrien Ltd.	Fertilizers & Agricultural Chemicals	\$ 38,297	22.1%	-4.6%	12.2x	\$6.42	4.0%
Teck Resources Limited Class B	Diversified Metals & Mining	\$ 29,355	3.0%	16.6%	25.2x	\$2.38	0.8%
First Quantum Minerals Ltd.	Copper	\$ 24,876	60.9%	27.5%	28.6x	\$1.04	0.0%
Lundin Gold Inc.	Gold	\$ 23,680	220.1%	53.2%	21.1x	\$4.66	1.6%
Pan American Silver Corp.	Gold	\$ 20,970	70.9%	28.9%	11.9x	\$4.18	1.2%
Ivanhoe Mines Ltd. Class A	Diversified Metals & Mining	\$ 19,496	-15.6%	29.4%	28.1x	\$0.51	0.0%
Alamos Gold Inc.	Gold	\$ 18,688	67.6%	30.2%	14.8x	\$3.01	0.3%
Lundin Mining Corporation	Copper	\$ 17,738	67.5%	51.1%	18.9x	\$1.10	0.5%
CCL Industries Inc. Class B	Metal Glass & Plastic Containers	\$ 13,639	5.7%	-2.3%	16.1x	\$4.86	1.6%
Equinox Gold Corp.	Gold	\$ 12,055	113.0%	79.5%	10.9x	\$1.42	0.0%
IAMGOLD Corporation	Gold	\$ 9,823	129.9%	80.4%	8.0x	\$2.14	0.0%
B2Gold Corp.	Gold	\$ 9,592	106.0%	58.6%	7.1x	\$1.02	3.0%
OR Royalties Inc.	Gold	\$ 8,989	83.5%	27.1%	32.9x	\$1.45	0.5%
First Majestic Silver Corp.	Silver	\$ 8,740	126.5%	57.3%	40.5x	\$0.44	0.2%
Hudbay Minerals Inc	Diversified Metals & Mining	\$ 8,444	83.0%	59.1%	14.0x	\$1.52	0.1%
Triple Flag Precious Metals Corp.	Gold	\$ 8,442	89.3%	28.6%	27.5x	\$1.49	0.8%
Capstone Copper Corp.	Copper	\$ 8,385	23.7%	42.1%	14.9x	\$0.74	0.0%
West Fraser Timber Co. Ltd.	Forest Products	\$ 7,396	-24.7%	-7.7%	-	-\$0.14	2.0%
Eldorado Gold Corporation	Gold	\$ 7,333	68.8%	33.2%	7.1x	\$5.12	0.0%
OceanaGold Corporation	Gold	\$ 7,098	159.2%	66.3%	7.0x	\$4.44	0.1%
New Gold Inc.	Gold	\$ 7,046	147.9%	50.6%	6.0x	\$1.47	0.0%
DPM Metals Inc.	Gold	\$ 6,938	139.8%	39.8%	10.3x	\$3.03	0.7%
G Mining Ventures Corp	Gold	\$ 6,432	162.2%	66.4%	17.4x	\$1.63	0.0%
SSR Mining Inc	Gold	\$ 6,282	208.6%	91.0%	7.6x	\$4.06	0.0%
NGEX Minerals Ltd.	Diversified Metals & Mining	\$ 5,221	87.2%	42.5%	-	-\$0.39	0.0%
Torex Gold Resources Inc.	Gold	\$ 5,031	106.1%	36.3%	8.9x	\$6.52	0.0%
Novagold Resources Inc	Gold	\$ 4,985	154.7%	66.2%	-	-\$0.20	0.0%
Orla Mining Ltd.	Gold	\$ 4,943	90.6%	-3.7%	9.4x	\$1.62	0.0%
Stella-Jones Inc.	Forest Products	\$ 4,416	12.5%	0.0%	13.2x	\$6.09	1.5%
K92 Mining, Inc.	Gold	\$ 4,311	105.1%	23.3%	10.5x	\$1.70	0.0%

Company	GICS Sub-Industry	Market Cap (C\$ mln)	Price Return - YTD	Price Return - Since Last Update*	P/E NTM	EPS NTM	Dividend Yield
Materials (continued)							
Discovery Silver Corp	Silver	\$ 3,908	585.9%	55.1%	11.7x	\$0.42	0.0%
Methanex Corporation	Commodity Chemicals	\$ 3,676	-33.8%	2.6%	10.4x	\$4.57	2.2%
Perpetua Resources Corp.	Gold	\$ 3,576	116.1%	40.6%	-	-\$0.17	0.0%
Fortuna Mining Corp.	Gold	\$ 3,447	82.0%	30.0%	6.8x	\$1.64	0.0%
Seabridge Gold Inc	Gold	\$ 3,352	100.1%	52.4%	-	-\$0.13	0.0%
Endeavour Silver Corp.	Silver	\$ 3,296	115.6%	53.7%	14.5x	\$0.78	0.0%
Wesdome Gold Mines Ltd.	Gold	\$ 3,252	66.8%	26.7%	7.5x	\$2.87	0.0%
Centerra Gold Inc.	Gold	\$ 3,088	85.7%	58.2%	9.3x	\$1.64	1.8%
Ero Copper Corp.	Copper	\$ 3,008	49.8%	48.7%	6.8x	\$4.30	0.0%
Skeena Resources Limited	Gold	\$ 2,854	88.6%	5.5%	-	-\$0.45	0.0%
Aris Mining Corp	Gold	\$ 2,690	163.7%	40.3%	5.3x	\$2.52	0.0%
Winpak Ltd.	Metal Glass & Plastic Containers	\$ 2,551	-12.3%	-7.5%	12.1x	\$3.45	0.5%
Aya Gold & Silver Inc.	Silver	\$ 2,148	41.0%	15.3%	19.2x	\$0.79	0.0%
Labrador Iron Ore Royalty Corporation	Steel	\$ 1,790	-3.3%	2.1%	11.5x	\$2.44	7.0%
Transcontinental Inc. Class A	Metal Glass & Plastic Containers	\$ 1,600	3.2%	-4.5%	7.4x	\$2.59	4.7%
Information Technology							
Shopify, Inc. Class A	Internet Services & Infrastructure	\$ 296,285	49.0%	30.7%	93.7x	\$2.43	0.0%
Constellation Software Inc.	Application Software	\$ 77,949	-17.2%	-26.2%	23.8x	\$154.74	0.2%
Celestica Inc.	Electronic Manufacturing Services	\$ 42,731	180.0%	69.0%	38.7x	\$9.59	0.0%
CGI Inc. Class A	IT Consulting & Other Services	\$ 27,261	-22.2%	-10.4%	13.6x	\$9.00	0.5%
Open Text Corporation	Application Software	\$ 13,975	35.1%	40.6%	9.4x	\$5.85	2.5%
Descartes Systems Group Inc.	Application Software	\$ 11,723	-16.5%	-5.4%	47.5x	\$2.87	0.0%
Kinaxis, Inc.	Application Software	\$ 5,068	4.0%	-10.5%	32.0x	\$5.63	0.0%
BlackBerry Limited	Systems Software	\$ 3,861	19.8%	21.8%	31.3x	\$0.21	0.0%
Lightspeed Commerce Inc	Application Software	\$ 2,236	-24.6%	-4.1%	21.1x	\$0.78	0.0%
Consumer Staples							
Alimentation Couche-Tard Inc.	Food Retail	\$ 69,977	-7.4%	-2.1%	17.2x	\$4.30	1.1%
Loblaw Companies Limited	Food Retail	\$ 69,104	23.1%	5.4%	22.8x	\$2.55	1.0%
George Weston Limited	Food Retail	\$ 33,972	18.8%	0.5%	18.4x	\$4.82	1.3%
Metro Inc.	Food Retail	\$ 20,511	5.8%	-9.2%	18.0x	\$5.30	1.6%
Saputo Inc.	Packaged Foods & Meats	\$ 14,140	37.6%	20.7%	16.6x	\$2.07	2.3%
Empire Co Ltd Class A	Food Retail	\$ 11,102	9.9%	-13.5%	14.1x	\$3.43	1.8%
Premium Brands Holdings Corporation	Packaged Foods & Meats	\$ 4,356	22.7%	7.2%	15.6x	\$6.20	3.5%
Maple Leaf Foods Inc.	Packaged Foods & Meats	\$ 3,524	56.5%	4.8%	17.3x	\$1.64	3.4%
North West Company Inc.	Food Retail	\$ 2,216	-5.7%	-2.8%	12.1x	\$3.82	3.5%
Jamieson Wellness, Inc.	Personal Care Products	\$ 1,438	-6.6%	-1.4%	15.6x	\$2.19	2.7%
Canada Packers Inc.	Packaged Foods & Meats	\$ 483	-	-	5.9x	\$2.76	0.0%
Utilities							
Fortis Inc.	Electric Utilities	\$ 36,471	21.2%	11.7%	20.5x	\$3.54	3.4%
Brookfield Infrastructure Partners L.P.	Multi-Utilities	\$ 31,709	6.4%	9.6%	29.7x	\$1.64	4.7%
Hydro One Limited	Electric Utilities	\$ 31,632	19.1%	9.9%	24.2x	\$2.18	2.5%
Brookfield Renewable Partners LP	Renewable Electricity	\$ 26,397	21.8%	6.9%	58.9x	\$0.68	5.4%
Emera Incorporated	Electric Utilities	\$ 20,667	28.5%	10.2%	19.8x	\$3.48	4.2%
AltaGas Ltd.	Gas Utilities	\$ 12,767	27.4%	4.4%	18.0x	\$2.37	3.0%
Capital Power Corporation	Independent Power Producers & Energy Traders	\$ 11,010	11.1%	17.1%	21.7x	\$3.26	3.9%
Canadian Utilities Limited Class A	Multi-Utilities	\$ 10,877	14.8%	4.3%	16.2x	\$2.47	4.6%
TransAlta Corporation	Independent Power Producers & Energy Traders	\$ 6,939	15.2%	38.1%	68.0x	\$0.34	1.1%
Algonquin Power & Utilities Corp.	Multi-Utilities	\$ 6,413	30.9%	2.8%	16.9x	\$0.49	4.4%
Northland Power Inc.	Renewable Electricity	\$ 6,404	36.8%	6.3%	17.3x	\$1.41	4.9%
ATCO Ltd. Class I	Multi-Utilities	\$ 6,073	13.2%	6.6%	12.0x	\$4.49	3.7%
Boralex Inc. Class A	Renewable Electricity	\$ 2,873	-2.6%	-11.9%	25.3x	\$1.11	2.4%
Superior Plus Corp	Gas Utilities	\$ 1,757	23.3%	6.8%	10.9x	\$0.72	2.3%
Consumer Discretionary							
Dollarama Inc.	Broadline Retail	\$ 49,879	29.6%	-3.2%	36.3x	\$5.01	0.2%
Restaurant Brands International, Inc.	Restaurants	\$ 43,034	0.9%	-0.3%	17.3x	\$5.48	3.6%
Magna International Inc.	Automotive Parts & Equipment	\$ 18,259	7.9%	14.0%	8.1x	\$7.98	4.2%
Gildan Activewear Inc.	Apparel Accessories & Luxury Goods	\$ 12,401	23.0%	15.7%	14.0x	\$5.96	1.5%
Aritzia, Inc.	Apparel Retail	\$ 10,481	70.2%	20.7%	28.5x	\$3.20	0.0%
Canadian Tire Corporation, Limited Class A	Broadline Retail	\$ 9,623	15.2%	-8.8%	13.1x	\$13.27	4.1%
BRP, Inc.	Leisure Products	\$ 6,762	26.4%	39.9%	17.2x	\$5.38	0.9%
Linamar Corporation	Automotive Parts & Equipment	\$ 4,414	30.0%	10.9%	6.8x	\$10.80	1.6%
Pet Valu Holdings Ltd.	Other Specialty Retail	\$ 2,474	43.7%	5.9%	19.7x	\$1.84	1.3%
Communication Services							
TELUS Corporation	Integrated Telecommunication Services	\$ 32,389	8.3%	-5.4%	19.5x	\$1.08	7.9%
BCE Inc.	Integrated Telecommunication Services	\$ 31,314	0.8%	3.3%	12.5x	\$2.69	5.2%

Company	GICS Sub-Industry	Market Cap (C\$ mln)	Price Return - YTD	Price Return - Since Last Update*	P/E NTM	EPS NTM	Dividend Yield
Communication Services (continued)							
Rogers Communications Inc. Class B	Wireless Telecommunication Services	\$ 28,212	17.5%	14.8%	10.7x	\$4.86	3.9%
Quebecor Inc. Class B	Integrated Telecommunication Services	\$ 10,074	37.9%	8.9%	11.2x	\$3.87	3.2%
Cogeco Communications Inc.	Integrated Telecommunication Services	\$ 2,803	-1.6%	1.1%	8.7x	\$7.59	5.6%
Real Estate							
FirstService Corp	Real Estate Services	\$ 11,798	-0.5%	6.1%	29.6x	\$8.75	0.6%
Colliers International Group Inc.	Real Estate Services	\$ 11,476	15.5%	19.1%	21.9x	\$10.30	0.2%
Choice Properties Real Estate Investment Trust	Retail REITs	\$ 10,864	12.4%	1.9%	15.9x	\$0.94	5.1%
Canadian Apartment Properties Real Estate Investment Trust	Multi-Family Residential REITs	\$ 6,198	-7.8%	-12.7%	16.0x	\$2.45	3.9%
RioCan Real Estate Investment Trust	Retail REITs	\$ 5,586	3.8%	6.8%	12.3x	\$1.55	6.1%
Granite Real Estate Investment Trust	Industrial REITs	\$ 4,812	13.8%	10.1%	13.0x	\$6.11	4.3%
SmartCentres Real Estate Investment Trust	Retail REITs	\$ 4,566	9.5%	3.8%	14.0x	\$1.91	6.9%
First Capital Real Estate Investment Trust	Retail REITs	\$ 4,106	14.0%	2.4%	14.7x	\$1.32	4.6%
CT Real Estate Investment Trust	Retail REITs	\$ 3,980	16.4%	6.0%	12.9x	\$1.29	5.7%
Dream Industrial Real Estate Investment Trust	Industrial REITs	\$ 3,518	4.4%	6.7%	11.9x	\$1.04	5.7%
Boardwalk Real Estate Investment Trust	Multi-Family Residential REITs	\$ 3,493	1.9%	-9.0%	13.1x	\$5.00	2.5%
H&R Real Estate Investment Trust	Diversified REITs	\$ 3,077	26.3%	-1.4%	12.6x	\$0.93	5.1%
Crombie Real Estate Investment Trust	Retail REITs	\$ 2,848	16.0%	2.7%	22.6x	\$0.68	5.9%
Allied Properties Real Estate Investment Trust	Office REITs	\$ 2,579	7.6%	3.2%	15.2x	\$1.22	9.8%
Altus Group Limited	Real Estate Services	\$ 2,446	1.0%	4.3%	25.3x	\$2.24	1.1%
Killam Apartment REIT	Multi-Family Residential REITs	\$ 2,134	2.9%	-7.4%	12.7x	\$1.39	4.1%
InterRent Real Estate Investment Trust	Multi-Family Residential REITs	\$ 1,873	32.1%	0.6%	20.4x	\$0.66	3.0%
Primaris Real Estate Investment Trust	Retail REITs	\$ 1,814	0.1%	3.9%	9.8x	\$1.59	5.6%
Northwest Healthcare Properties Real Estate Investment Trust	Health Care REITs	\$ 1,247	12.6%	1.8%	-	-	7.2%
Health Care							
Chartwell Retirement Residences	Health Care Facilities	\$ 6,383	37.9%	16.0%	88.0x	\$0.24	2.9%
Bausch Health Companies Inc.	Pharmaceuticals	\$ 3,195	-25.6%	-0.5%	1.5x	\$5.70	0.0%
Curaleaf Holdings, Inc.	Pharmaceuticals	\$ 3,059	78.6%	192.0%	-	-\$0.27	0.0%
Sienna Senior Living Inc.	Health Care Facilities	\$ 1,787	23.9%	3.7%	40.5x	\$0.48	4.8%

Source: FactSet; Data as of October 21, 2025. *Date range: 7/18/2025 - 10/21/2025.

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U.S. LARGE CAP EQUITIES | S&P 500 Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization in the U.S.

U.S. MID CAP EQUITIES | S&P 400 Index: The index, which is distinct from the large-cap S&P 500, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

U.S. SMALL CAP EQUITIES | Russell 2000 Index: The index measures the performance of the small-cap segment of the US equity universe. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

CANADIAN EQUITIES | S&P/TSX Composite Index: This index is the headline index for the Canadian equity market, tracking around 250 of Canada's largest public companies. Its total market cap is over 3.9 trillion CAD, representing roughly 70% of the total market capitalization on the Toronto Stock Exchange.

DEVELOPED MARKET EQUITIES EX NORTH AMERICA EQUITIES | MSCI EAFE Index: The index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia, and the Far East, excluding the U.S. and Canada. The Index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

DEVELOPED MARKET EQUITIES (EUROPE) | MSCI Europe Index: The index captures large and mid-cap representation across 15 Developed Markets (DM) countries in Europe. With 414 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets (DM) equity universe.

DEVELOPED MARKET EQUITIES (PACIFIC) | MSCI Pacific Index: The index captures large and mid-cap representation across 5 Developed Markets (DM) countries in the Pacific region. With 294 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKET EQUITIES | The MSCI Emerging Markets Index: The index captures large and mid-cap representation across 24 Emerging Markets (EM) countries. With 1,252 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

CANADA GOVERNMENT BONDS | FTSE Canada All Government Bond Index: The index measures the performance of the Canadian dollar denominated investment-grade fixed income market, covering Canadian government and quasi-government bonds. The index is designed to track the performance of marketable Canadian, Provincial and Municipal Government bonds outstanding in the Canadian market.

CANADA INVESTMENT GRADE CORPORATE BONDS | FTSE Canada All Corporate Bond Index: The index measures the performance of the Canadian dollar denominated investment-grade fixed income market, covering Canadian corporate bonds. The index is designed to track the performance of marketable corporate issuance outstanding in the Canadian market.

U.S. TREASURY BONDS | ICE U.S. Treasury Core Bond Index: The index is intended to assess the U.S. Treasury market. The Index is market value weighted, and is designed to include U.S. dollar denominated, fixed rate securities with minimum term to maturity greater than one year and less than or equal to thirty years.

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