

SUMMARY

- While there continue to be plenty of material risks looming large over the economic outlook, the last few months have seen something of a balance emerge, uneasy as it may be.
- U.S. trade policy continues to represent a source of uncertainty and risk to the outlook for global growth. The flurry of deals, truces, adjustments and exemptions over the summer, however, leaves the likely impact on prices and economic activity far less negative than assumed six months ago, while also providing some much-desired clarity on policy direction.
- While there is rising instability across governments in Europe and ongoing disarray stateside, which has culminated in a shutdown of the federal civil service, that serves to dampen sentiment, the push to increase fiscal spending is a welcome development that looks to complement the still-solid consumer and the recent Artificial Intelligence (AI)-driven surge in capital investment.
- As well, there are growing expectations that the policy easing cycle is likely to continue in North America as central banks have shifted from a “reactive” approach to setting policy to a more “proactive” slant as concerns about economic slack move to the forefront.
- The various countervailing forces at play have resulted in an environment that has ultimately been supportive for corporate earnings and constructive for financial markets. Accordingly, stock markets have continued to establish new highs, while bonds have also generated positive returns, both contributing to solid balanced portfolio performance.
- Though uncertainty remains elevated, the willingness of investors to climb the “wall of worry” suggests market momentum may not be knocked off balance near-term.

Striking a balance

While there continue to be plenty of material risks looming large over the economic outlook, the last few months have seen something of a balance emerge, uneasy as it may be.

Global growth momentum may not be accelerating by any means at this juncture, but neither is it showing signs of a material slowdown.

Likewise, overall inflationary pressures are showing signs of stability. The moderation in the rise in service prices is being offset by, so far, modest indications of tariff pass-through on the goods' side.

The various countervailing forces at play have resulted in an environment that has ultimately been supportive for corporate earnings and constructive for financial markets. Accordingly, stock markets have continued to establish new highs while bonds have also generated positive returns, both contributing to solid balanced portfolio performance.

As 2025 enters its home stretch and 2026 comes into view, the clear question is whether the positive macroeconomic (and with it, market) performance can be expected to continue or if there is reason to believe that the balance could soon tip.

Playing politics

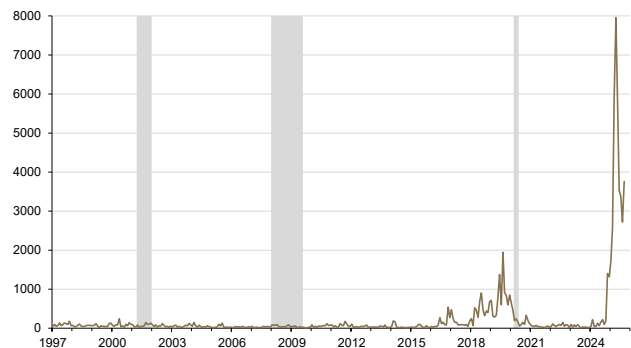
U.S. trade policy continues to represent one of the most significant risks to global growth.

The flurry of deals, truces, adjustments, and exemptions ahead of the August 1 tariff implementation deadline, however, leaves the likely impact on prices and economic activity far less negative than assumed in the spring, while also providing some much-needed policy clarity.

For sure, considerable uncertainty on this front remains — the imminent expiration of the temporary armistice between the U.S. and China on November 10 sets the stage for an escalation of headline risks, as would the results of the court challenges on the legality of tariffs — but conditions have improved markedly relative to six months ago.

CHART 1: MORE CERTAINTY ON TRADE

Trade Policy Uncertainty Index¹, U.S.
(index pre-2015 average = 100)

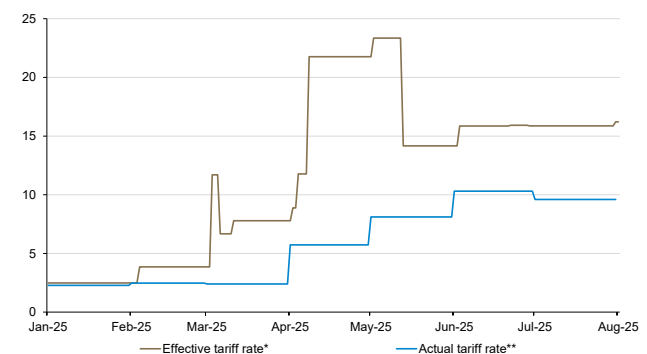


Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from PolicyUncertainty.com to September 2025

Indeed, while economically sub-optimal tariffs are evidently here to stay, the rates in effect at the moment are notably lower than those announced in the spring — and the realized impact, so far, has magnitudes below those statutory levels.

CHART 2: HERE TO STAY

Tariff rates, U.S.
(percent)



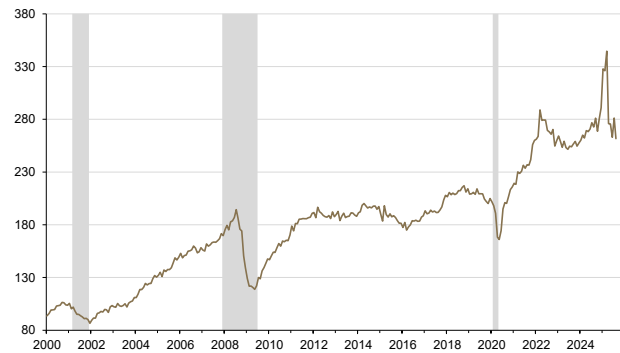
*effective rate=weighted average of announced statutory rates; **actual rate=actual duty paid on imports as a share of their value; source: Guardian Capital, using data from the International Monetary Fund to August 2025

Part of this gap reflects delays in applying the tariffs — goods in transit when tariffs came into effect did not incur the charges — meaning the differential should be expected to narrow in the months ahead, barring further policy adjustments.

As well, though Americans made efforts to front-run the tariffs — evident by the sizable surge in imports at the start of the year — stockpiles of pre-tariff goods are being drawn down, and businesses will have to face higher costs to replenish inventories.

CHART 3: TRADE BACK DOWN TO EARTH

Goods imports to the U.S.
(billions of U.S. dollars)



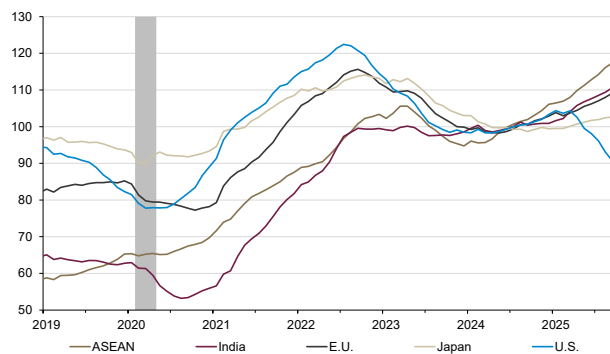
Shaded regions represent periods of U.S. recession; source: Guardian Capital, based on data from the U.S. Census Bureau to August 2025

With that said, there are indications of efforts within increasingly nimble global supply chains to circumvent the biggest impact of tariffs.

For example, shipments of goods from China to the U.S. are down 10% versus year-ago levels, but Chinese exports to countries in the Association of Southeast Asian Nations (ASEAN)² are up 15%.

CHART 4: TRADE RE-ROUTING

Merchandise exports by region, China
(indexed 12-month moving total in U.S. dollars 2024 = 100)

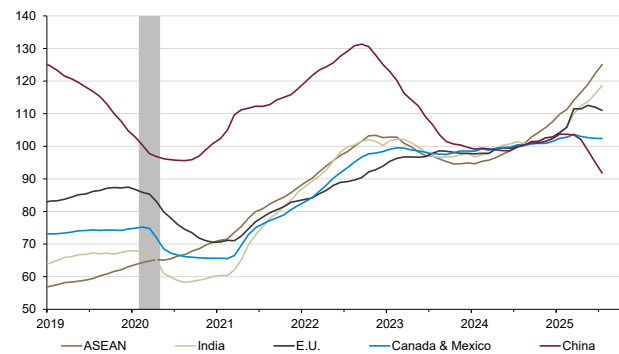


The shaded region represents a period of U.S. recession; source: Guardian Capital, using data from Bloomberg to September 2025

This just so happens to coincide with the import data for the U.S. which shows merchandise flows from ASEAN are up a strong 25% compared to last year, at a time when imports from China are down 8%.

CHART 5: TAKING THE LONG WAY HOME

Merchandise imports by region, U.S.
(indexed 12-month moving total in U.S. dollars 2024 = 100)



The shaded region represents a period of U.S. recession; source: Guardian Capital, using data from Bloomberg to July 2025

The likelihood that this is less a simple coincidence and more tariff evasion suggests the potential for action by the U.S. government to further close the tariff gap, though businesses have shown they are capable of adapting to circumstances quickly.

Despite the limited economic impact so far and ongoing efforts to mitigate the hit, it remains highly likely that U.S. trade policy is going to be felt more in the months to come.

Of course, tariffs are not the only political factor at play. The general geopolitical backdrop remains tense, and risks on this front remain elevated.

CHART 6: GEOPOLITICAL INSTABILITY

Geopolitical Risk Index³, World
(index; pre-2019 average=100)



Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from PolicyUncertainty.com to October 17, 2025

The relationship between the U.S. and China, the world's two largest economies, remains far from amicable and shows little sign of turning for the better as trade negotiations return to the forefront.

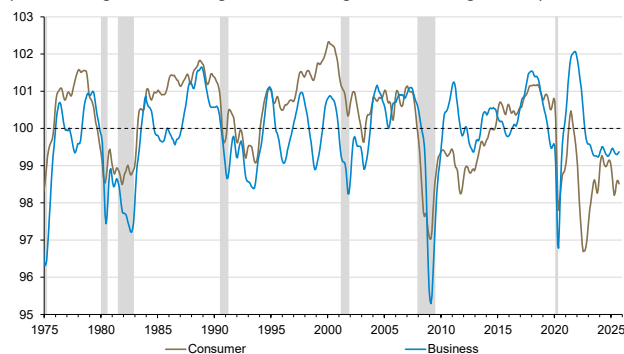
There is growing instability across governments in Europe (France and the U.K. are at the top of the list), while other advanced economies' fiscal positions are also garnering unwanted attention that could impact proposed spending plans. The U.S. federal government is currently shut down as lawmakers struggle to reach a funding agreement.

As well, the wars in the Middle East and Ukraine are ongoing, though there are prospects and pressure to establish lasting resolutions.

Unsurprisingly, this environment continues to weigh on the psyches of the population. Measures of sentiment across the G7⁴ nations' consumers and businesses remain depressed at levels historically consistent with economic downturns.

CHART 7: SENTIMENT STILL QUITE SOUR

Consumer and business sentiment⁵, OECD⁶
(GDP-weighted average index; long-term average=100)



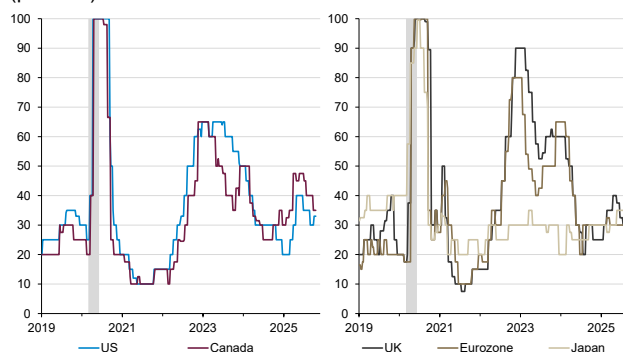
Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from the OECD and Bloomberg to September 2025

Hitting for the cycle

Despite this, however, the assumed probabilities of an imminent recession have ebbed thanks to the declining uncertainties related to trade and the fact that economic activity globally keeps showing resiliency that has come to characterize the last five years.

CHART 8: RECESSION RISKS RECEDING

Consensus expected probability of recession in 12 months (percent)

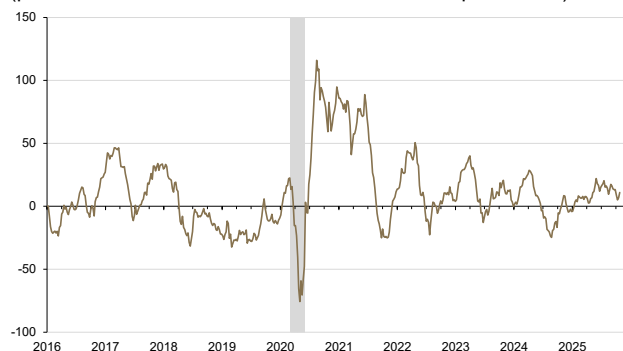


Source: Guardian Capital, using data from Bloomberg to October 17, 2025

The global dataflow — which is now lacking official statistics for the U.S., given the shutdown of federal civil service — has persistently surpassed expectations throughout this year as worst-case outcomes have been avoided to this point.

CHART 9: CLEARING THE (LOWER) BAR

Economic Surprise Index⁷, World
(percent; >0 denotes better than consensus expectations)



The shaded region represents a period of U.S. recession; source: Guardian Capital, using data from Bloomberg to October 17, 2025

And rather than showing that conditions are not deteriorating as significantly as assumed, it remains the case that indicators are pointing to continued positive, if unspectacular growth.

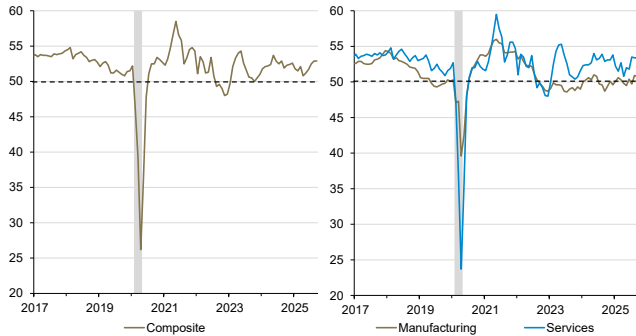
For example, the Global Manufacturing Purchasing Managers' Index⁸ (PMI), a forward-looking gauge of factory activity, ended Q3 in expansionary territory and at its best level in more than a year, despite the challenges facing the goods-producing segment of the economy.

The global PMI for the more economically important service sector points to even better momentum, providing a good hand-off to Q4.

The composite PMI aggregating countries and sectors — a proxy for global growth — registered its best three months in a year as well.

CHART 10: MAINTAINING MOMENTUM

Purchasing managers' indexes, World
(diffusion index; >50 denotes expansion)

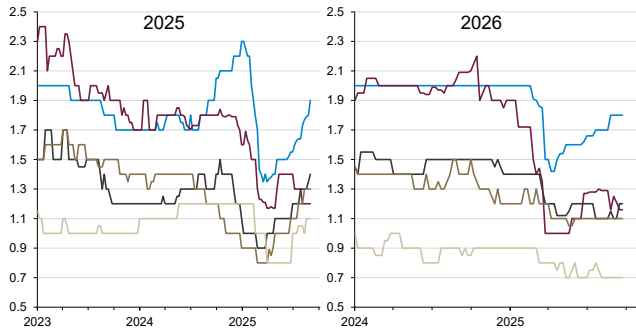


Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Bloomberg to September 2025

The resultant mark-to-market of growth forecasts for the current year has reversed much of the ground lost at the outset of the year, while expectations for the year to come continue to drift higher as well and point to little, if any, deceleration.

CHART 11: ON THE UP AND UP

Consensus real GDP growth forecasts
(year-over-year percent change)

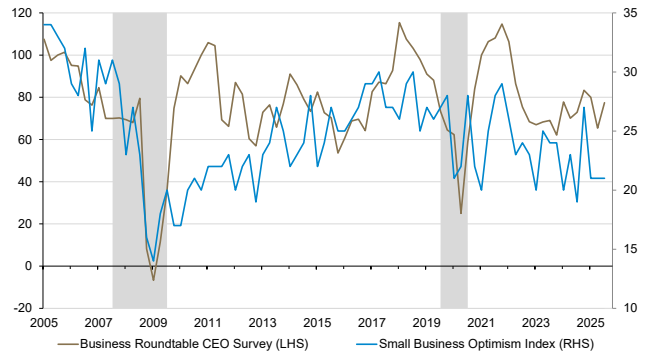


Source: Guardian Capital, using data from Bloomberg to October 17, 2025

One area of surprising strength has been capital expenditures, despite surveys of businesses showing that capital spending intentions remain far from buoyant.

CHART 12: NOT WHAT WAS INTENDED

Business capital expenditure plans, U.S.
(index) (net percent of firms increasing)



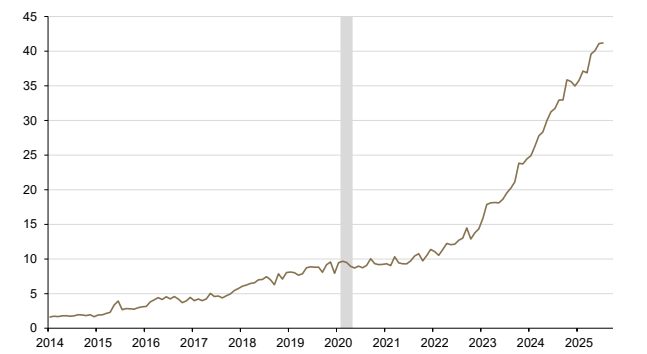
Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Business Roundtable⁹ and the National Federation of Independent Business¹⁰ to Q3 2025

While uncertainty and elevated interest rates have restrained investment in many areas — including real estate, where activity is drawing comparisons to the post-Financial Crisis period — there has been a surge in demand for capital-intensive investment in infrastructure to support AI advancements. The trends and tax incentives do not suggest this will ebb soon.

Construction of data centers across the U.S. has more than doubled over the last two years, while business expenditure on information processing equipment and software has provided a disproportionate boost to overall economic growth so far this year.

CHART 13: ADDING CAPACITY

Data center construction spending, U.S.
(billions of U.S. dollars)



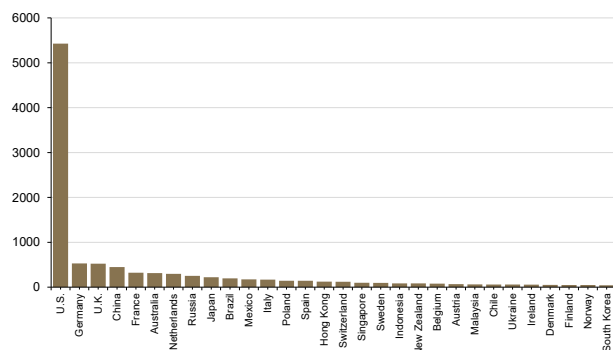
Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from the U.S. Census Bureau to July 2025

Other countries are also ramping up their spending to catch up to the U.S. and position themselves to reap the potential benefits of the new technologies.

Investments supporting AI and related power generation projects are likely to remain a driver of growth for the foreseeable future.

CHART 14: DATA IS THE NEW COMMODITY

Data centers by country (number)



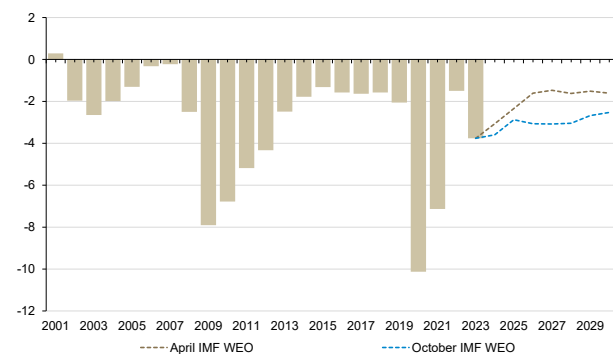
Source: Guardian Capital, using data from Cloudscene as at March 2025

Public sector spending plans also look to represent a source of support going forward.

Governments, including the U.S., Germany and Japan, have committed to large-scale investments in infrastructure and national defence that will help keep the goods' producers busy, though these positives for near-term growth are coming at the expense of deeper government deficits.

CHART 15: DIGGING A DEEPER FISCAL HOLE

General government primary fiscal balance, G7 (percent of gross domestic product)



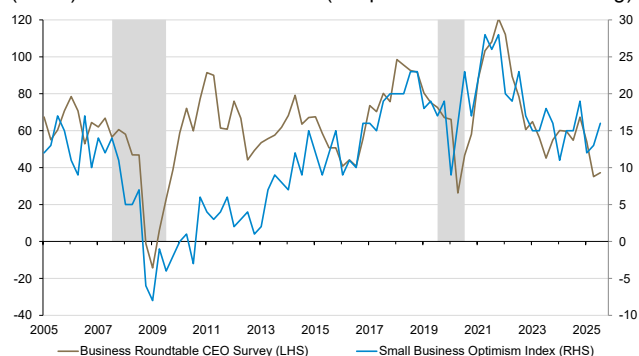
Forecasts are from the International Monetary Fund's World Economic Outlook¹¹; source: Guardian Capital, using data from the IMF

Safe at home

The ongoing uncertainty and potential implications of AI investments, however, are weighing on the willingness of firms to expand headcounts. Business surveys are showing muted hiring intentions.

CHART 16: NOT MAKING MANY PLANS...

Business hiring plans, U.S. (index) (net percent of firms increasing)



Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Business Roundtable and the National Federation of Independent Business to Q3 2025

Similarly, job market indicators have broadly softened through the summer, with data stateside seeing downward revisions that make the earlier assumed strong gains look comparatively meagre.

Given the importance of the consumer as a driver of growth in the broader global economy, signs of weakening in employment and the potential implications for households' ability to spend raise the risks to the outlook — this increase in downside risks was a key factor behind recent decisions for central banks to resume their easing cycles.

Obviously, this begs the question: if job market conditions are deteriorating, why are indicators of economic activity and spending holding up so well?

For starters, softening job markets do not mean that the employment backdrop is outright "soft" — and that is especially the case in the U.S.

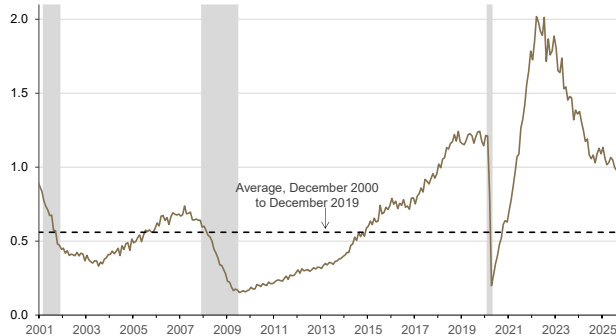
While there are indications that demand for labour has slowed, this has just reduced the demand imbalance in the market, rather than created an indication of an excess supply.

As an example, data from the U.S. showed that there were seven million unfilled job openings across the U.S. in July, which is down from readings of more than 10 million in recent years but still a historically elevated tally that effectively matches the current number of unemployed Americans.

For some context, for the two decades before 2020, there were an average of roughly two unemployed people for each job opening, so relative to this, there is still a dearth of available workers, and recent immigration policy changes suggest that the supply of workers will continue to be a problem, not just in the U.S. but abroad as well.

CHART 17: HELP (STILL) WANTED

Job openings per unemployed person, U.S.
(ratio)

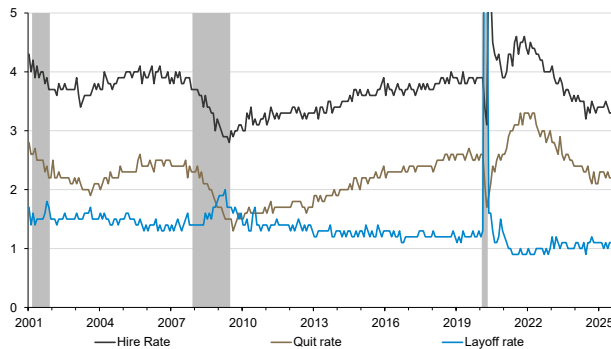


Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from the U.S. Bureau of Labor Statistics July 2025

Echoing this, while hiring has slowed as firms are not adding to headcounts as aggressively as they have been in recent years, and the rates of people voluntarily leaving their jobs has moderated, layoffs remain negligible and at rates that remain below the pre-pandemic norms.

CHART 18: CHURN AND BURN

Hiring, quits and layoff rates, U.S.
(percent of total employment)

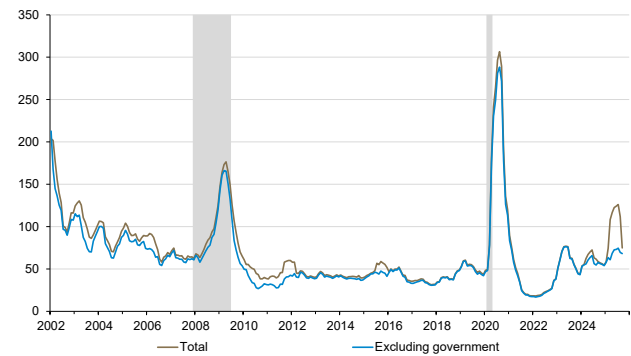


Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from the U.S. Bureau of Labor Statistics July 2025

The data from other sources, such as un-employment insurance programs and employment agencies, corroborate the limited firings outside of well-documented efforts to slim the public service.

CHART 19: LAY OFF THE LAYOFFS

Announced job cuts, U.S.
(thousands)

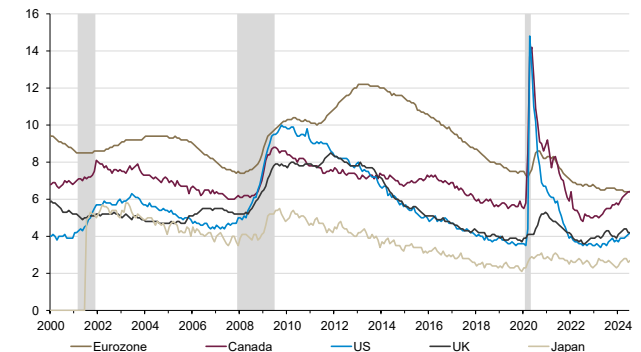


Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Challenger, Gray & Christmas to September 2025

The rise in unemployment rates this year has, so far, been more about strong population growth than job loss across global job markets — and unemployment rates everywhere generally remain historically benign.

CHART 20: LESS TIGHT BUT NOT YET LOOSE

Unemployment rates
(percent)



Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Bloomberg to September 2025

So, while the going may not be as good as it was for new entrants to the workforce, those already employed are seeing their cash flows continue, which provides support to spending.

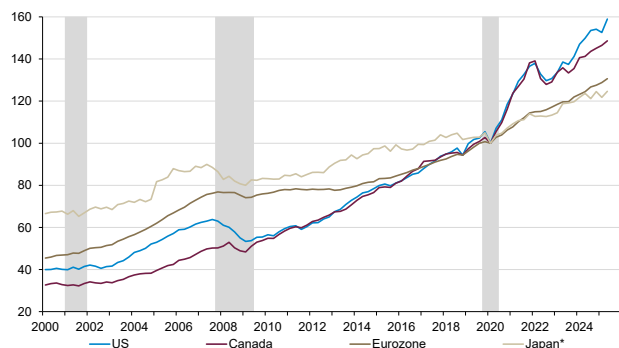
Furthermore, the general health of household balance sheets suggests that consumers have the capacity to spend more (and save less) out of current income, as net worth sits at all-time highs.

Data to the midpoint of the year show that the excess value of household assets over liabilities established new all-time highs — and not just in the U.S. (though Americans have recorded the largest gains in recent

years), but also in Canada, Japan and the Eurozone.

CHART 21: FOR WHAT IT'S WORTH

Household net worth
(index, Q1 2020 = 100; local currency basis)



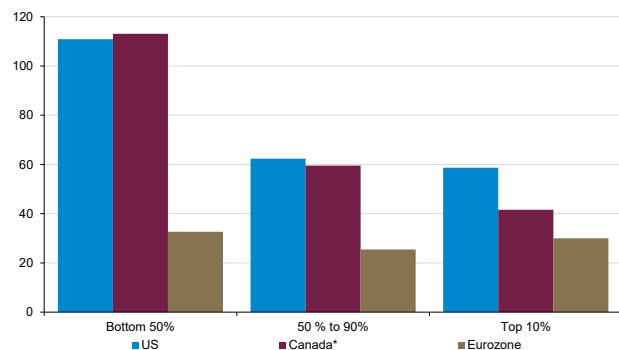
*Based on financial assets only; shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Statistics Canada, U.S. Federal Reserve (Fed), European Central Bank, and Bank of Japan to Q2 2025

The distribution of wealth is extremely skewed toward the higher end of the spectrum. Available distributional data, however, indicate that those less-wealthy households have been participating in the general gains in net worth and have actually outpaced the other cohorts on a relative basis.

For example, the data show that net worth among the bottom half of households by wealth in the U.S. and Canada has more than doubled since the start of 2020, while the other cohorts have experienced notably lower, though still solid, relative gains over the same time span (the absolute dollar gains have been larger; the outperformance in Europe is less stark but still evident).

CHART 22: BOTTOMS UP!

Change in household net worth by wealth percentile
(percent change since Q1 2020)



*Canada: "bottom" is bottom 40%, "middle" is 40% to 80%, "top" is top 20%; source: Guardian Capital, using data from Statistics Canada and U.S. Federal Reserve to Q2 2025, European Central Bank to Q1 2025

These are strong gains overall and a significant relative improvement in financial position for the more financially vulnerable part of the population.

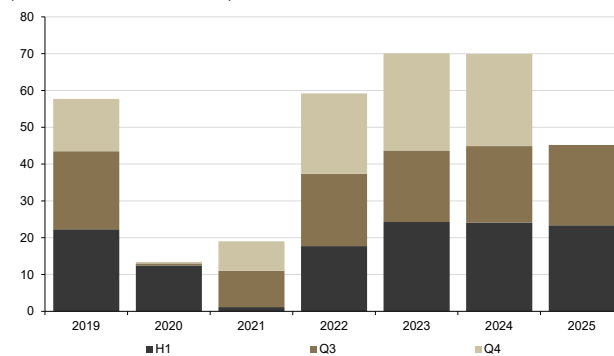
The broad upgrade of finances over this cycle, particularly for the less wealthy households, goes a long way in explaining the "resiliency" in consumer spending this year (and since the pandemic hit).

Strong financial positions combined with firm job markets support spending over and above the necessities of life, even in the face of rising costs of living — it is no coincidence that expenditure on less tangible and highly discretionary activities, such as travel and leisure, has been persistently strong.

For example, data from industry tracker Pollstar¹² showed that concert ticket sales globally over the first nine months of the year hit new highs and in turn have pushed total gross revenues worldwide to new records — even above last year's strength underpinned by a huge popstar's massive global arena tour.

CHART 23: ROCKING OUT

Total concert attendance, top 100 tours worldwide
(millions of tickets sold)



Source: Guardian Capital, based on data from Pollstar to September 2025

Demand has also been strong among those with a preference for live music as part of a broader story, as Broadway attendance¹³ this season trails only 2018/19 for the highest on record; for sports fans, Major League Baseball attendance¹⁴ hit a seven-year high league-wide even as two teams spent the season in minor league stadiums.

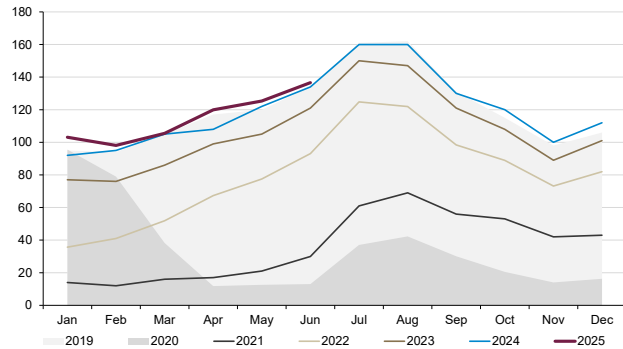
The demand for these types of in-person experiences is playing a role in keeping demand for air travel sky-high. U.S. Transportation Safety Administration

(TSA) checkpoints¹⁵ continue to process record-high numbers of travellers, running just ahead of last year's numbers.

Moreover, data compiled by the United Nations shows that international tourism worldwide is breaching new highs this year, echoing flight tracking data¹⁶ showing there continue to be record-high numbers of flights in the air worldwide.

CHART 24: CHECKING OUT THE SIGHTS

International tourist arrivals, World
(millions)



Source: Guardian Capital, based on data from UN Tourism¹⁷ to June 2025

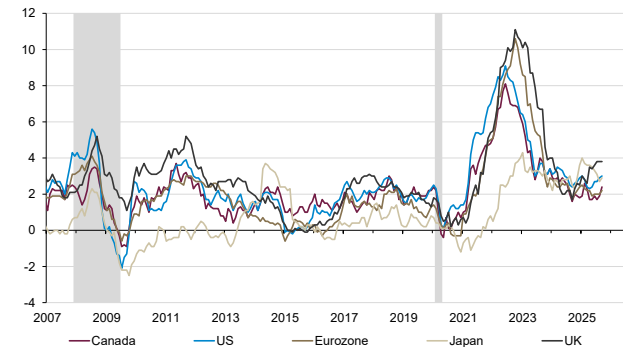
The bottom line is that the consumer broadly appears to remain on pretty solid footing for now, which could provide continued support for the most important cog in the global economic machine.

For your interest

A by-product of the resilient and sustained demand growth is that price pressures, while off their post-pandemic peaks, remain above comfort levels.

CHART 25: DOWN BUT NOT OUT

Consumer price inflation
(year-over-year percent change)

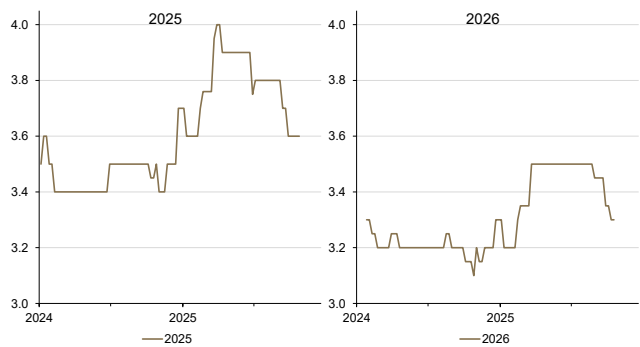


Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Bloomberg to September 2025

Notably, though, there have so far been limited signs of tariff-related costs passthroughs exerting material upward pressure on inflation — and though it remains likely that there will be a more evident impact in the months ahead, the lower than initially assumed tariff rates and the efforts by firms to adjust supply chains have seen inflation expectations move lower for this year and next.

CHART 26: FADING PRESSURES?

Consensus consumer price inflation forecasts, World
(year-over-year percent change)

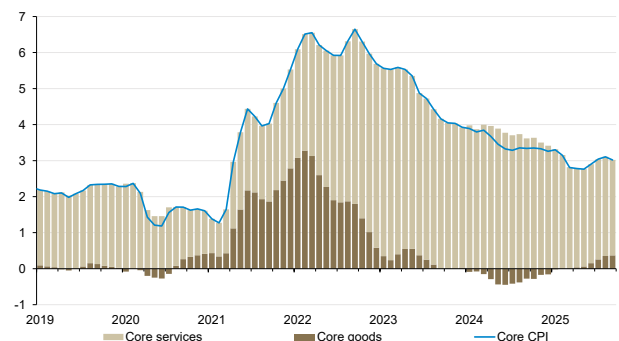


Source: Guardian Capital, using data from Bloomberg to October 17, 2025

There is ample risk that inflationary pressures could begin to move higher from here, but the relative stability in the gauges of underlying prices, coming as core services costs moderate, has been welcome by decision-makers at central banks.

CHART 27: OFFSETTING FORCES

Contribution to 12-month core inflation rate, U.S.
(percentage points)



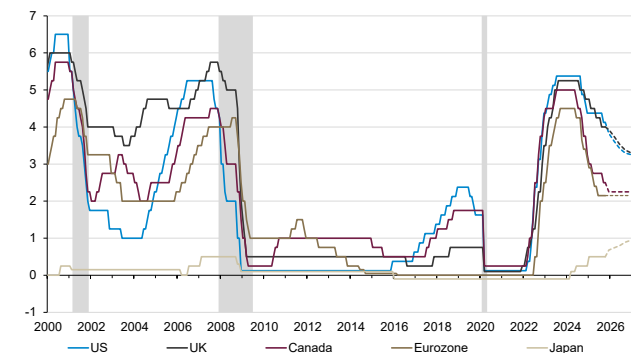
Source: Guardian Capital, using data from Bloomberg to September 2025

The more balanced inflation risks have permitted monetary policymakers to switch their focus from price stability mandates to concerns about potential downsides to growth and employment.

The result has been a resumption of policy easing cycles that were paused earlier this year, with further rate cuts expected to come in the months ahead — particularly in the U.S, where markets are pricing in more than 100 basis points worth of cuts over the next year as the Fed plays catch-up to its peers in moving away from a restrictive policy stance.

CHART 28: MORE ROOM TO FALL

Central bank policy interest rates (percent)

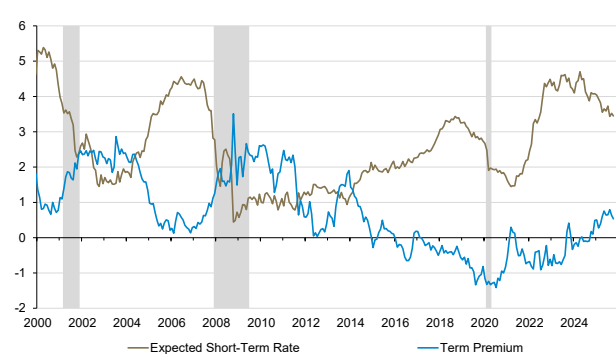


Dashed lines represent consensus forecasts as at October 17, 2025; shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Bloomberg to October 17, 2025

The decline in policy rates has put downward pressure on broader market interest rates; however, the uncertainty and risk tied to the inflation outlook, as well as concerns about fiscal sustainability, have seen the re-emergence of term premiums¹⁸ that have largely been absent for the last decade, limiting the decrease in rates on longer maturity bonds and steepening the curve.

CHART 29: A PREMIUM ON TERM

Decomposition of 10-year U.S. Treasury note yields (percent)



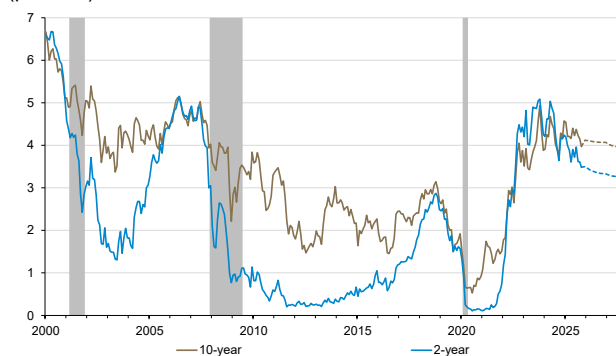
Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Bloomberg to October 17, 2025

Looking ahead, the prospect of lower short-term rates suggests that the path of least resistance for market rates is lower.

That said, current expectations and market pricing suggest it would likely take a further weakening in the dataflow to bring longer-term bond yields down much further, as rising term premia and a looming increase in government debt issuance to fund fiscal plans leave risks relatively fairly balanced.

CHART 30: MIND THE GAP

U.S. Treasury note yields (percent)



Dashed lines represent consensus forecasts as at October 17, 2025; shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Bloomberg to October 17, 2025

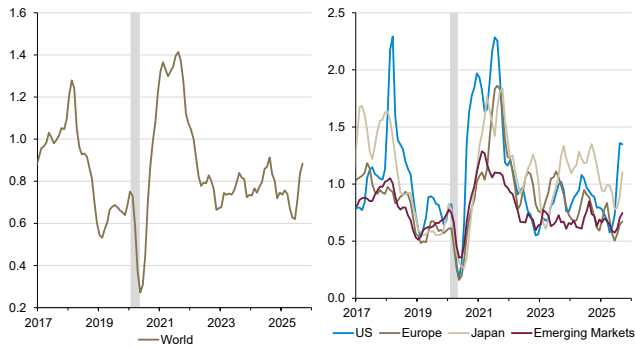
Risk rewards?

In terms of risk assets, though uncertainty remains elevated, the willingness of investors to climb the “wall of worry”¹⁹ suggests market momentum may not be knocked off balance near-term.

Stable, if unspectacular, growth, non-accelerating inflation and lower interest rates in the absence of increasing policy uncertainty provide a constructive backdrop for corporate earnings — and revisions to earnings expectations, like economic forecasts, have been pretty one-directional since being slashed in the spring.

CHART 31: UPWARD REVISIONS

Three-month earnings per share revision ratios
(ratio of analyst upgrades to downgrades)



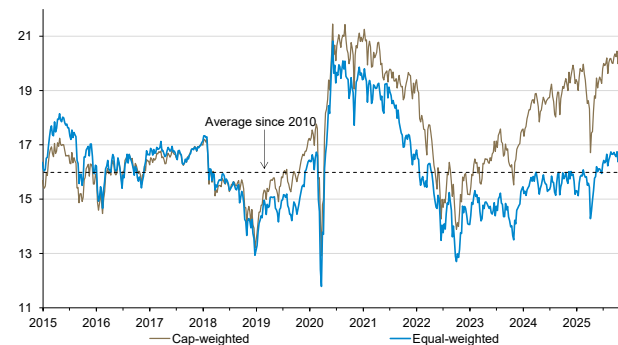
Shaded regions represent periods of U.S. recession; source: Guardian Capital, using data from Bank of America to September 2025

All else being the same, that represents a fundamental support to stocks and corporate credit. At the same time, there is cause for some caution.

The recent strong market performance has pushed valuations higher, which could set up for some pullback, especially in those more expensive growth-focused segments of the market that account for a growing share of benchmark index weight and passive investment flows.

CHART 32: DIVERGING VALUATIONS

Forward price-to-earnings ratio, MSCI World Index²⁰
(ratio)



Source: Guardian Capital, using data from Bloomberg to October 17, 2025

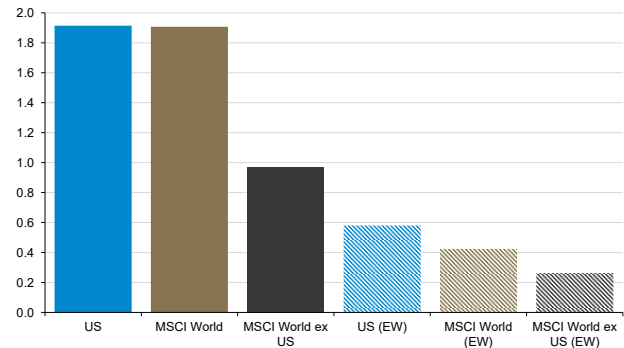
Any potential shift in investor sentiment in these areas, however, could prove relatively positive for those other areas of the market that have underperformed the U.S.-centric AI trade and are comparatively reasonably priced.

That would suggest that there are potential relative performance gains from more active strategies that look beyond U.S. borders — but at the risk of lagging

the broader market should the narrow momentum of recent years be sustained.

CHART 33: A WORLD OF OPPORTUNITY

MSCI Index forward price-to-earnings ratio
(standard deviations from average since 2010)



*EW=equal-weighted versions of the Index; source: Guardian Capital, using data from Bloomberg as at October 17, 2025

Market Returns as of September 30, 2025

All returns in CAD

CANADIAN EQUITIES

INDEX RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
S&P/TSX Composite	5.4	12.5	23.9	28.6	16.7	11.8
S&P/TSX 60	4.7	11.5	22.1	26.7	16.5	12.0
S&P/TSX Completion	8.0	16.3	31.6	36.4	17.6	11.5
S&P/TSX SmallCap	8.9	20.9	36.3	37.2	18.0	11.0
S&P/TSX Composite High Dividend	4.1	10.9	20.2	21.1	18.3	11.0
S&P/TSX Composite Dividend	4.6	10.2	21.6	24.0	17.2	12.1

S&P/TSX SECTOR RETURNS (%)

SECTOR RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
Communication Services	-1.8	7.7	12.9	-8.8	1.5	3.8
Consumer Discretionary	0.9	3.7	18.0	19.0	14.6	9.1
Consumer Staples	0.3	1.6	5.7	9.6	12.4	10.4
Energy	5.6	12.6	17.1	24.8	28.0	10.5
Financials	4.5	10.6	22.5	30.6	21.2	13.6
Health Care	3.0	5.5	-1.0	-4.6	-12.6	-27.3
Industrials	-0.8	-1.4	4.6	4.1	10.2	12.2
Information Technology	2.1	13.2	19.7	46.2	11.3	21.9
Materials	18.9	37.8	79.3	70.8	17.0	17.2
Real Estate	-1.0	7.6	11.1	-0.6	8.2	6.7
Utilities	3.9	6.9	17.5	15.7	7.1	9.5

INTERNATIONAL EQUITIES

INDEX RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
MSCI World Index (Net, C\$)	4.6	9.4	13.6	20.8	15.3	12.9
MSCI EAFE Index (Net, C\$)	3.3	6.8	21.1	18.4	12.1	8.6
MSCI ACWI (Net, C\$)	5.0	9.7	14.6	20.8	14.5	12.3
MSCI France (C\$)	4.3	5.2	20.2	14.9	13.2	9.2
MSCI Germany (C\$)	0.8	0.8	28.5	29.0	11.3	8.5
MSCI Japan (C\$)	3.8	10.2	16.8	19.8	9.9	8.7
MSCI U.K. (C\$)	2.6	8.0	22.2	21.2	16.3	7.6
S&P/IFC Investable (Emerging Markets)	7.3	12.1	21.4	19.5	9.0	9.1
MSCI EAFE Growth (Gross, C\$)	3.9	4.3	15.0	11.3	7.8	8.7
MSCI EAFE Value (Gross, C\$)	2.7	9.6	28.5	27.1	17.4	9.3

CANADIAN FIXED INCOME

INDEX RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
FTSE Canada 91 Day TBill	0.3	0.7	2.2	3.3	2.8	1.9
FTSE Canada Short Term Overall Bond	0.8	1.3	3.5	4.2	1.9	2.1
FTSE Canada Mid Term Overall Bond	1.8	2.0	4.4	4.0	0.4	2.2
FTSE Canada Long Term Overall Bond	3.7	1.2	0.6	-0.2	-3.4	1.6
FTSE Canada Universe Bond	1.9	1.5	3.0	2.9	-0.2	2.0
FTSE Canada High Yield Overall Bond	1.1	2.8	6.1	8.8	6.3	6.8
FTSE Canada Real Return Bond Overall	1.8	1.5	2.8	3.1	-0.7	1.9

US EQUITIES

INDEX RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
S&P 500	5.0	10.3	11.1	21.1	17.4	15.7
Dow Jones Industrial Average	3.4	7.8	6.9	14.8	13.9	13.9
NASDAQ	7.0	13.4	13.5	28.3	16.1	17.7
Russell 1000	4.9	10.1	10.9	21.3	16.9	15.5
Russell 2000	4.5	14.6	6.8	14.1	12.5	10.2
Russell 3000	4.8	10.3	10.7	20.9	16.7	15.1
Russell 1000 Growth	6.7	12.7	13.4	29.3	18.5	19.3
Russell 1000 Value	2.9	7.4	8.0	12.7	14.8	11.1

S&P 500 SECTOR RETURNS (%)

SECTOR RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
Communication Services	7.0	14.2	20.5	39.6	18.7	14.5
Consumer Discretionary	4.6	11.7	1.9	23.9	11.5	14.2
Consumer Staples	-0.2	-0.4	0.5	3.5	9.4	9.4
Energy	0.9	8.3	3.5	7.5	30.7	8.6
Financials	1.5	5.2	9.1	24.4	20.7	14.0
Health Care	3.1	5.8	-0.7	-5.2	8.4	10.1
Industrials	3.3	7.1	14.5	19.1	17.8	14.2
Information Technology	8.7	15.4	18.3	32.1	24.3	25.7
Materials	-0.8	5.1	5.8	-1.4	10.4	11.2
Real Estate	1.8	4.6	2.7	0.7	8.2	N/A
Utilities	5.6	9.7	13.9	14.5	12.4	11.3
	7.0	14.2	20.5	39.6	18.7	14.5

INTERNATIONAL EQUITIES

MSCI EAFE SECTOR RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
Communication Services	0.8	4.1	31.9	33.8	10.3	5.7
Consumer Discretionary	3.9	8.6	8.0	10.0	8.6	6.8
Consumer Staples	-1.5	1.0	11.8	4.0	2.9	4.4
Energy	-1.1	7.9	16.0	13.3	20.9	8.2
Financials	3.3	10.6	37.4	43.0	24.3	10.8
Health Care	0.1	2.7	3.0	-5.8	3.7	5.7
Industrials	4.7	7.8	28.8	28.4	15.2	11.8
Information Technology	11.5	5.0	15.2	13.9	10.9	13.0
Materials	3.7	7.9	13.0	-1.2	8.6	10.0
Real Estate	2.3	6.0	19.0	9.6	4.9	N/A
Utilities	3.6	3.3	28.7	19.4	9.1	8.0

CANADIAN FIXED INCOME

SECTOR RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
FTSE Canada Federal Bond	1.5	1.3	2.7	2.2	-0.3	1.2
FTSE Canada Provincial Bond	2.6	1.6	2.5	2.1	-1.3	1.9
FTSE Canada All Corporate Bond	1.6	1.8	4.1	5.2	1.8	3.2

GLOBAL FIXED INCOME

INDEX RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
FTSE World Government Bond	2.0	2.1	3.9	4.6	-2.2	0.8

Sources: Bloomberg Finance L.P., FTSE Bond Analytics, TD Securities, Thomson Financial

Market Returns as of September 30, 2025

All returns in CAD

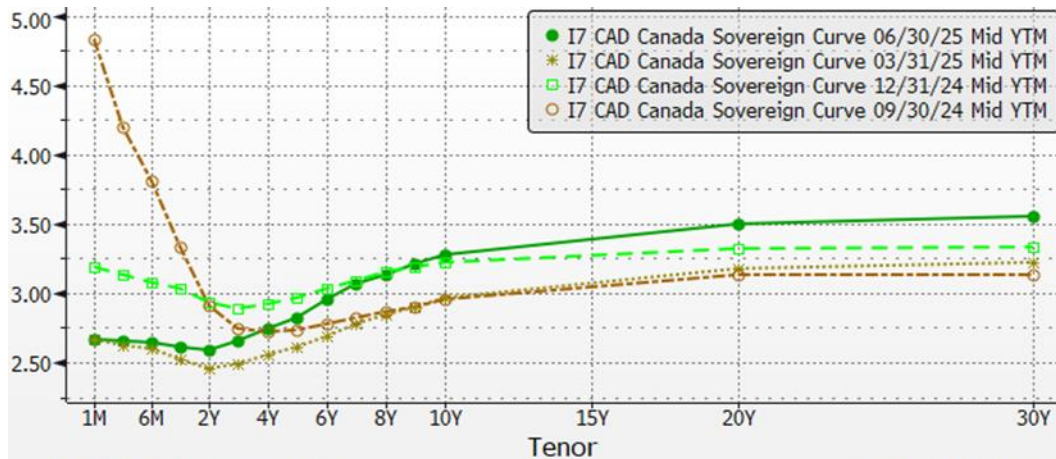
COMMODITIES

INDEX RETURNS (%)	1M	3M	YTD	1Y	5Y	10Y
Bloomberg WTI Cushing Crude Oil Spot Price	6.3	-13.6	-13.9	-20.4	10.7	1.8
Bloomberg European Dated Brent BFOE Price	5.5	-16.5	-13.0	-21.8	10.7	1.9
Edmonton Crude Oil Syncrude Sweet Blend FOB Spot	4.4	-15.4	-12.1	-20.6	13.5	1.8
S&P GSCI Nat Gas Index Spot	-0.5	-20.5	-9.7	32.5	14.6	2.9
S&P GSCI Copper Index Spot	3.1	-3.1	7.8	3.5	10.5	6.5
S&P GSCI Gold Index Spot	-1.0	-0.5	18.8	41.0	13.0	11.9

CURRENCY

% CHANGE	1M	3M	YTD	1Y	5Y	10Y
CAD/USD	-0.8	-5.2	-5.1	-0.3	0.0	0.9
CAD/Yen	-0.9	-1.8	3.2	11.1	-5.6	-0.8
CAD/GBP	0.8	0.7	3.8	8.1	2.1	-0.5
CAD/Euro	2.6	3.0	7.6	9.2	0.9	1.4

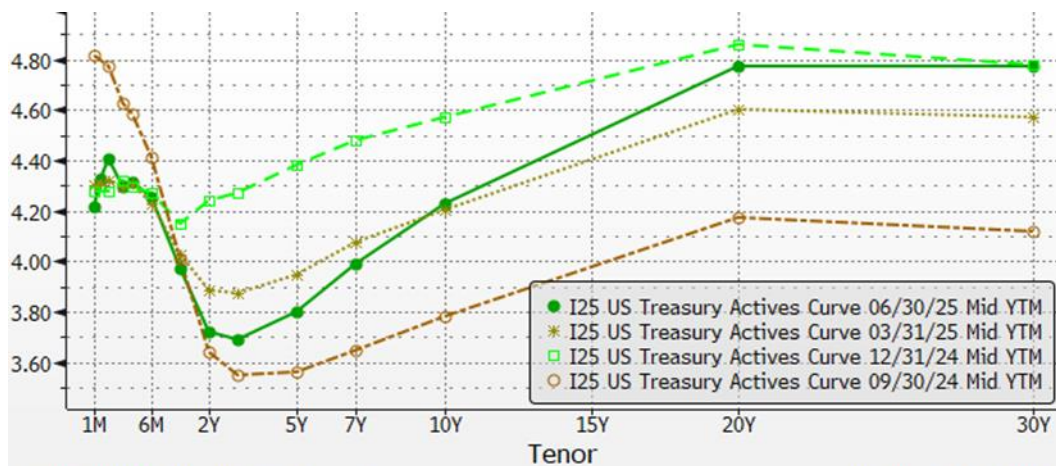
GOVERNMENT OF CANADA YIELD CURVE



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U.S. TREASURY YIELD CURVE



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Sources: Bloomberg Finance L.P., FTSE Bond Analytics, TD Securities, Thomson Financial

¹ The [Trade Policy Uncertainty Index](#) is one of the [category-specific Economic Policy Uncertainty \(EPU\) indexes](#). It reflects the frequency of articles in American newspapers that discuss policy-related economic uncertainty and also contain one or more references to trade policy.

² ASEAN=Association of Southeast Asian Nations and includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam

³ [The Geopolitical Risk Index](#), created by Dario Caldara and Matteo Iacoviello, is a measure of adverse geopolitical events and associated risks based on a tally of newspaper articles covering geopolitical tensions. The index reflects automated text-search results of the electronic archives of 10 newspapers related to adverse geopolitical events in each newspaper for each month (as a share of the total number of news articles).

⁴ The G7 is an intergovernmental political and economic forum consisting of Canada, France, Germany, Italy, Japan, the United Kingdom and the U.S.

⁵ The [consumer](#) and [business](#) confidence indicators provide an indication of future developments of households' and businesses spending and investment based on opinion surveys. An indicator above 100 signals a boost in confidence towards the future economic situation; values below 100 indicate a pessimistic attitude towards future developments in the economy.

⁶ The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade.

⁷ The Citi Economic Surprise Index measures the pace at which economic indicators are coming in ahead of or below consensus forecasts. When the index is negative, it means that the majority of reports are coming in below expectations, while a positive reading indicates that most data is coming in ahead of expectations.

⁸ The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors; based on a monthly survey of companies to determine whether business conditions are improving, unchanged, or deteriorating compared to the previous survey, seasonally adjusted.

⁹ The Business Roundtable CEO Economic Outlook Index is based on a survey — conducted quarterly since the fourth quarter of 2002 — of our member CEOs' plans for hiring and capital spending, and their expectations for sales, over the next six months. Taking these factors together, the survey signals the direction of the U.S. economy.

¹⁰ The National Federation of Independent Business (NFIB)'s Small Business Optimism Index is based on the monthly survey of NFIB members on a wide range of metrics concerning current economic activity and their expectations over the next six months.

¹¹ International Monetary Fund, World Economic Outlook: global economy in flux, prospects remain dim; October 14, 2025, [World Economic Outlook, October 2025: Global Economy in Flux, Prospects Remain Dim](#)

¹² [2025 Q3: Beyonce Has Top Tour; Record-Setting Top 100; Smaller Venues Face Challenges - Pollstar News](#)

¹³ [Statistics - Broadway in NYC | The Broadway League](#)

¹⁴ [Major League Miscellaneous Year-by-Year Averages and Totals | Baseball-Reference.com](#)

¹⁵ [TSA checkpoint travel numbers | Transportation Security Administration](#)

¹⁶ [Flight tracking statistics - Real-time flight tracker | Flightradar24](#)

¹⁷ [UN Tourism Data Dashboard | Key Indicators](#)

¹⁸ Term premiums are the extra yield investors demand for holding longer-term debt instead of repeatedly investing in short-term bonds. This additional return compensates for the risks associated with longer-term investments, primarily the risk that interest rates will rise and devalue the bond's fixed price, and inflation uncertainty.

¹⁹ The "wall of worry" is financial markets' periodic tendency to surmount a host of negative factors and continue ascending.

²⁰ The MSCI World Index captures mid- and large-cap representation across 23 developed market countries.

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