

# On Balance

THE ASSET MIX COMMITTEE REVIEW



GUARDIAN CAPITAL™

November 21, 2025

This commentary is authored by the Guardian Capital LP Asset Mix Committee (AMC)<sup>1</sup>

## ASSET CLASS RETURNS (as at November 21, 2025)

Asset Class	Representative Index	QTD	1 Yr
<b>Canadian Equity</b>	S&P/TSX Composite Index	0.71	22.04
<b>Global Equity</b>	MSCI World Index (net CAD)	0.15	16.02
<b>Fixed Income</b>	FTSE Canada Universe Bond Index	0.39	5.74
<b>Cash</b>	FTSE Canada 91 Day T-Bill Index	0.39	3.03

## Asset Mix Committee Summary Views<sup>2</sup>

### GROWTH ASSET ALLOCATION

Asset Class	Strategic Allocation <sup>3</sup>	New Tactical Target <sup>4</sup>	Change from prior <sup>4</sup>
<b>Equity</b>	70.0%	77.7%	—
<i>Canadian Equity</i>	40.0%	41.4%	—
<i>Global Equity</i>	30.0%	36.4%	—
<b>Fixed Income</b>	25.0%	22.3%	—
<b>Cash</b>	5.0%	0.0%	—

### CONSERVATIVE ASSET ALLOCATION

Asset Class	Strategic Allocation <sup>3</sup>	New Tactical Target <sup>4</sup>	Change from prior <sup>4</sup>
<b>Equity</b>	30.0%	34.0%	—
<i>Canadian Equity</i>	17.5%	18.7%	—
<i>Global Equity</i>	12.5%	15.5%	—
<b>Fixed Income</b>	65.0%	65.9%	—
<b>Cash</b>	5.0%	0.0%	—

## Decision by Committee

- The AMC left allocations to Equity, Fixed Income and Cash unchanged at its meeting in late November.
- Allocations within Global Equity and Fixed Income were left unchanged, however, the decision was made to make a shift within the Canadian Equity exposures to decrease the relative underweight in the domestic Information Technology sector.
- The AMC remains comfortable with a bias toward Equity in its asset mix as growth headwinds ease and underlying momentum remains on track, which looks to support a continued broadening out of performance within markets.
- The AMC's portfolios remain overweight Equity with a bias toward Global quality growth strategies. Fixed Income allocations are concentrated in the core mandate.

Macroeconomic developments since the AMC last formally met in September have been positive on the margin and economic forecasts for the year ahead have continued to improve, consistent with the AMC's expectations.

Underlying growth momentum has, so far, managed to weather the challenges seen this year and the easing of trade-related policy uncertainty in recent months, combined with added easing from central banks in recent months, look to support the persistence of these trends.

Investment in technologies and infrastructure related to artificial intelligence (AI) have played an increasing role in the driving growth and these flows appear likely to continue.

Labour markets have softened from earlier tight conditions, but still remain in good shape with negligible signs of broadening layoffs.

Looking ahead, the near-term expectations are for more of the same, as there does not appear to be a catalyst for momentum to be derailed (the potential for an unforeseen exogenous shock notwithstanding).

There is potential that positive growth and firm inflation result in less central bank easing than currently anticipated, but the bar is set high for policymakers to even begin to consider reversing course anytime soon, keeping short-term rates anchored near-term and market yields within recent ranges.

The AMC acknowledges that there are risks around AI should the benefits from investments prove more limited than assumed, but this will be likely be a story that plays out further out the forecast horizon.

In terms of markets, while broad indices have recently come off their late October peaks, the selling has been concentrated in those more highly valued growth segments of the market, while the other areas that have persistently lagged have fared better — this provides an indication more of a market rotation than broad sell-off.



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The broadening out of economic and earnings growth, and healthy concerns about valuations in the areas of the market that have massively outperformed in recent years, indicate there is scope for this rotation to continue — which would prove supportive of more actively managed investment strategies whose performance has been challenged by narrow leadership.

Taking it all together, the AMC decided it remained comfortable with the overall risk exposures in the model portfolios. No changes were made to allocations between Equity and Fixed Income.

Allocations within Fixed Income and Global Equity were left unchanged. With the upcoming merger of the Canadian Growth Equity strategy with the core Canadian Equity strategy, however, the decision was made to move some of the weight from these mandates that hold below benchmark weights in the increasingly prominent domestic Technology sector to a new allocation to the Canadian Equity Select strategy that has greater exposure.

The AMC's portfolios remain overweight Equity with a bias toward Global quality growth strategies. Fixed Income allocations are concentrated in the core mandate. The AMC will continue to monitor economic and market developments closely and stands ready to tactically exploit opportunities that may present themselves.

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1. Guardian's Asset Mix Committee (AMC) consists of investment professionals and asset class specialists, and is charged with overseeing the development and management of multi-asset investment portfolios, specifically addressing asset allocation and areas for advice or communication to such clients as it relates to the makeup of their portfolio.
  2. These Asset Allocations represent the Asset Mix Committee's tactical views given their assessment of market conditions and performance expectations.
  3. Benchmark=portfolio strategic asset allocation.
  4. Figures may not add up due to rounding.
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