

On Balance

THE ASSET MIX COMMITTEE REVIEW



GUARDIAN CAPITAL™

February 12, 2026

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

ASSET CLASS RETURNS (as at February 12, 2026)

Asset Class	Representative Index	QTD	1 Yr
Canadian Equity	S&P/TSX Composite Index	2.56	30.35
Global Equity	MSCI World Index (net CAD)	1.18	13.12
Fixed Income	FTSE Canada Universe Bond Index	1.45	3.62
Cash	FTSE Canada 91 Day T-Bill Index	0.26	2.66

Asset Mix Committee Summary Views²

GROWTH ASSET ALLOCATION

Asset Class	Strategic Allocation ³	New Tactical Target ⁴	Change from prior ⁴
Equity	70.0%	78.5%	—
<i>Canadian Equity</i>	40.0%	42.0%	-1.3
<i>Global Equity</i>	30.0%	36.6%	+1.3
Fixed Income	25.0%	21.5%	—
Cash	5.0%	0.0%	—

CONSERVATIVE ASSET ALLOCATION

Asset Class	Strategic Allocation ³	New Tactical Target ⁴	Change from prior ⁴
Equity	30.0%	35.3%	—
<i>Canadian Equity</i>	17.5%	18.9%	-1.0
<i>Global Equity</i>	12.5%	16.3%	+1.0
Fixed Income	65.0%	64.8%	—
Cash	5.0%	0.0%	—

Decision by Committee

- The AMC has greater confidence that growth remains on a positive track and inflation is well-behaved. As a result, the Committee remains comfortable with a bias toward Equity in its asset mix.
- Allocations that had passively increased in Canadian Equity, due to relative performance, were reduced and redeployed to quality-growth-focused Global Equity.
- In Fixed Income, the exposure to Canadian bonds was reduced, and the weight was reallocated to short-duration bonds and strategic income.
- The AMC's tactical target remains overweight Equity with a bias toward Global quality growth. Fixed Income allocations are concentrated in Canadian bonds.

Macroeconomic developments since the AMC last formally met in late November have generally been positive, suggesting a broadening out of economic growth momentum — on a regional basis as well as with respect to underlying segments of demand.

Consumers globally appear to remain on a solid footing with strong household balance sheets and still firm job markets supporting spending. Business spending has remained on an upswing, underpinned by investment in technology and infrastructure related to artificial intelligence (AI). Public-sector investment in infrastructure is set to strengthen as governments worldwide implement significant capital spending plans.

As well, though inflation remains above central bank targets, indicators show that underlying price pressures continue to gradually moderate and, generally, remain well behaved.

In terms of markets, interest rates have remained range-bound as the backdrop suggests limited impetus for central banks to ease policy in the near term. Yields appear likely to continue to trend sideways.

Equity markets have seen a bit of a rotation away from the AI-adjacent leaders in recent months, with performance broadening out beyond the narrowly concentrated gains that have characterized recent years.

Looking forward, while policy uncertainty is expected to remain elevated and there are risks to the outlook (namely potential disappointments related to AI and negative spillovers for capital spending and markets), the AMC views the base case to be positive and broadening growth momentum, elevated but well-behaved inflation, and generally stable interest rates.



On Balance

THE ASSET MIX COMMITTEE REVIEW



GUARDIAN CAPITAL™

February 12, 2025

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

Overall, the AMC feels more confident in the outlook for growth and inflation. This constructive backdrop would provide scope for the broadening of performance to continue, as returns could be increasingly driven by fundamentals rather than richer valuations — this would also prove beneficial for more active investment strategies.

The AMC feels comfortable maintaining the overweight to Equity in its asset mix. Within Equity, there was a preference among the AMC to add back to quality-growth-focused active allocations in Global allocations that had lost weight due to relative underperformance compared to Canadian Equity allocations in recent months — Canadian Equity allocations that had passively increased were reduced as a result, but remain above benchmark weights. In Fixed Income, the view that policy rates will generally hold steady suggests that performance is going to be driven by interest payments. While credit spreads are tight relative to their historic averages, there is support given the economic outlook, and it remains the case that incremental overall yields available on corporate credit are at levels that are compelling and support adding exposure to the asset class.

As well, the balance of risks in bond markets has shifted such that it is now viewed that there is more upside risk to rates than downside, as markets potentially price out the prospect of further rate cuts and weight the potential for rate hikes — this would favour reducing duration. The decision was made to reduce the allocation to Canadian bonds and initiate exposures to short-duration bonds and strategic income.

The AMC's Tactical Targets remain overweight Equity with a bias toward Global quality growth allocations. Fixed Income allocations are tilted in favour of credit and have an above-benchmark yield and below-benchmark duration. The AMC will continue to monitor economic and market developments closely and stands ready to tactically exploit opportunities that may present themselves.

1. Guardian Capital LP's Asset Mix Committee (AMC) consists of investment professionals and asset class specialists, and is charged with providing input for 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.

This commentary is for general informational purposes only and does not constitute investment, financial, legal, accounting, tax advice or a recommendation to buy, sell or hold a security. It shall under no circumstances be considered an offer or solicitation to deal in any product or security mentioned herein. It is only intended for the audience to whom it has been distributed and may not be reproduced or redistributed without the consent of Guardian Capital LP. This information is not intended for distribution into any jurisdiction where such distribution is restricted by law or regulation.

The opinions expressed are as of the date of publication and are subject to change without notice. Assumptions, opinions and estimates are provided for illustrative purposes only and are subject to significant limitations. Reliance upon this information is at the sole discretion of the reader. The opinions expressed are as of the published date and are subject to change without notice. Assumptions, opinions and estimates are provided for illustrative purposes only and are subject to significant limitations. Reliance upon this information is at the sole discretion of the reader. This document includes information concerning financial markets that was developed at a particular point in time. This information is subject to change at any time, without notice, and without update. This commentary may also include forward-looking statements concerning anticipated results, circumstances, and expectations regarding future events. Forward-looking statements require assumptions to be made and are, therefore, subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Investing involves risk. Equity markets are volatile and will increase and decrease in response to economic, political, regulatory and other developments. Investments in foreign securities involve certain risks that differ from the risks of investing in domestic securities. Adverse political, economic, social or other conditions in a foreign country may make the stocks of that country difficult or impossible to sell. It is more difficult to obtain reliable information about some foreign securities. The costs of investing in some foreign markets may be higher than investing in domestic markets. Investments in foreign securities are also subject to currency fluctuations. The risks and potential rewards are usually greater for small companies and companies located in emerging markets. Bond markets and fixed-income securities are sensitive to interest rate movements. Inflation, credit and default risks are all associated with fixed income securities. Diversification may not protect against market risk, and loss of principal may result. Index returns are for information purposes only and do not represent actual strategy or fund performance. Index performance returns do not reflect the impact of management fees, transaction costs or expenses. Certain information contained in this document has been obtained from external parties, which we believe to be reliable; however, we cannot guarantee its accuracy.

Guardian Capital LP manages portfolios for defined benefit and defined contribution pension plans, insurance companies, foundations, endowments and investment funds. Guardian Capital LP is a wholly owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange. For further information on Guardian Capital LP, please visit www.guardiancapital.com. All trademarks, registered and unregistered, are owned by Guardian Capital Group Limited and are used under license.

Published: March 2026

