

On Balance

THE ASSET MIX COMMITTEE REVIEW



GUARDIAN CAPITAL™

April 10, 2026

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

ASSET CLASS RETURNS (as at April 10, 2026)

Asset Class	Representative Index	QTD	1 Yr
Canadian Equity	S&P/TSX Composite Index	2.90	35.94
Global Equity	MSCI World Index (net CAD)	4.18	14.34
Fixed Income	FTSE Canada Universe Bond Index	0.12	2.50
Cash	FTSE Canada 91 Day T-Bill Index	0.09	3.01

Asset Mix Committee Summary Views²

GROWTH ASSET ALLOCATION

Asset Class	Strategic Allocation ³	New Tactical Target ⁴	Change from prior ⁴
Equity	70.0%	78.6%	—
<i>Canadian Equity</i>	40.0%	42.6%	—
<i>Global Equity</i>	30.0%	36.0%	—
Fixed Income	25.0%	21.4%	—
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%	19.2%	—
<i>Global Equity</i>	12.5%	16.1%	—
Fixed Income	65.0%	64.7%	—
Cash	5.0%	0.0%	—

Decision by Committee

- The surge in geopolitical stress since the end of February, stemming from developments in the Middle East, has led to a resurgence of uncertainty over the outlook.
- Policy uncertainty and geopolitical risk are likely to remain elevated, which suggest that markets will remain vulnerable to bouts of volatility, but the most likely scenario appears to be one in which the situation finds a relatively swift resolution, and financial markets that are now more reasonably valued, ultimately continue to climb the wall of worry.
- Accordingly, the AMC remains comfortable with the overall risk exposures. The AMC's guidance is for portfolios to remain overweight Equity with a bias toward Global quality growth strategies. Fixed Income allocations are focused in the core Canadian Bond mandate but with tilts toward shorter duration and corporate credit strategies.

While the underlying economic backdrop remains constructive, with growth momentum showing signs of broadening out, not just across regions but sectors as well, the surge in geopolitical stress stemming from developments in the Middle East since the AMC last formally met in February has led to a resurgence of uncertainty over the outlook.

The sharp increase in energy and other commodity prices, in response to the supply-side impact of the war in Iran, has the potential to negatively impact global growth and inflation.

Higher energy costs could filter broadly into the economy and put upward pressure on price levels; higher prices reduce purchasing power which, combined with increased general uncertainty, would result in demand destruction which constrains economic growth. Europe and Asia, which are net energy importers and dependent on Middle Eastern oil & gas, would face greater headwinds than North America.

The impact, however, depends on how much prices escalate and how long they stay at elevated levels.

The situation is extremely fluid, but there is scope for a relatively swift resolution that could reopen the Strait of Hormuz and likely drive a sharp reversal in commodity prices, that would limit the overall economic impact and reduce the likelihood policymakers would feel compelled to make any adjustments to their stance.

Of course, there is potential for the situation to persist and/or escalate, which would result in greater pressure on inflation and a bigger hit to growth. As it stands, however, this appears to be a lower probability outcome given the limited appetite of other countries to get involved and the growing unpopularity of the incursion among U.S. voters that will be heading to the polls for the midterms in November.



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Undoubtedly, policy uncertainty and geopolitical risk are likely to remain elevated for the coming months, which suggest that markets will remain vulnerable to bouts of volatility, but as long as the underlying drivers of growth remain broadly intact — as the available dataflow suggests they have so far — the most likely scenario appears to be one in which financial markets that are now more reasonably valued ultimately continue to climb the wall of worry.

Accordingly, the AMC remains comfortable with the overall risk exposures. The asset allocation remains overweight Equity with a continued bias toward Global quality-focused strategies. Fixed Income allocations maintain a tilt to high-quality credits and a 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.

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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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