KELSON GESTION DE PATRIMOINE WEALTH MANAGEMENT | iA Gestion privée de patrimoine Private Wealth

QUARTERLY COMMENTARY

Market *Review*

Q2, 2026

Quarterly Market Summary

Returns (in CAD), 2nd Quarter 2026
Returns for key market segments, Q2 2026:

Canadian Stock Market: 6.96%

The Canadian stock market underperformed the US, international developed, and emerging markets.

Emerging Markets Stocks: 26.11%

Emerging markets posted positive returns, outperforming Canadian, US, and international developed markets.

International Developed Stocks: 12.66%

International developed stocks outperformed Canada but underperformed the US and emerging markets.

US Stock Market: 17.36%

The US market outperformed Canadian and international developed markets, trailing emerging markets.

Global Bond Market ex US: 0.91%

Global bond markets posted positive returns for the quarter.

Canadian Bond Market: 2.01%

The Canadian bond market outperformed global bond markets, posting positive returns for the quarter.

Global Real Estate: 12.61%

Global real estate posted positive returns; US REITs (+14.23%) outperformed non-US REITs (+9.02%).

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Canadian Stock Market (S&P/TSX Composite Index), US Stock Market (Russell 3000 Index [net of tax]), International Developed Stocks (MSCI EAFE Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), Canada Bond Market (FTSE Canada Universe Bond Index), and Global Bond Market (Bloomberg Global Aggregate Bond Index [hedged to CAD]).

Canadian Stocks

Q2 2026 Performance Highlights

- The Canadian equity market posted positive returns for the quarter and underperformed US, international developed, and emerging markets.
- Value outperformed growth
- Small caps underperformed large caps

Canadian equities posted solid gains in Q2 2026 but trailed other major markets, with value stocks leading while small caps lagged. The S&P/TSX Composite advanced amid resilient commodity prices.

5.94%
Small Cap

0.36%
Growth

8.24%
Large Cap

14.60%
Value

Canada = 3% of World Market Capitalization or **$5.0 trillion**

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (S&P/TSX 60 Index), Small Cap (S&P/TSX Small Cap Index), Value (MSCI Canada Value Index), and Growth (MSCI Canada Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by S&P/TSX Composite Index, Russell 3000 Index, MSCI EAFE IMI Index, MSCI Emerging Markets IMI Index.

KELSON
GESTION DE PATRIMOINE
WEALTH MANAGEMENT

iA Gestion privée de patrimoine™ Private Wealth™

US Stocks

Q2 2026 Performance Highlights

- The US equity market posted positive returns for the quarter and outperformed Canadian and international developed markets, but underperformed emerging markets.
- Value underperformed growth.
- Small caps outperformed large caps.
- Returns in $CAD

23.42%

Small Cap

18.95%

Growth

16.96%

Large Cap

15.77%

Value

US = 63% World Market Capitalization or **$102.6 trillion**

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (Russell 1000 Index), Small Cap (Russell 2000 Index), Value (Russell 3000 Value Index), and Growth (Russell 3000 Growth Index). Russell 3000 Index is used as the proxy for the US market. All index returns are net of withholding tax on dividends. World Market Cap represented by S&P/TSX Composite Index, Russell 3000 Index, MSCI EAFE IMI Index, and MSCI Emerging Markets IMI Index. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

International Developed Stocks

Q2 2026 Performance Highlights

- The international developed equity market posted positive returns for the quarter and outperformed the Canadian market, but underperformed US and emerging markets.
- Value underperformed growth.
- Small caps underperformed large caps.
- Returns in $CAD

10.83%	16.43%
Small Cap	**Growth**
12.66%	9.27%
Large Cap	**Value**

International Developed = 22% World Market Capitalization or **$35.6 trillion**

Emerging Markets Stocks

Q2 2026 Performance Highlights

- The emerging equity market posted positive returns for the quarter and outperformed Canadian, US, and international developed markets.
- Value underperformed growth
- Small caps underperformed large caps.

Growth and large cap stocks led emerging market returns in Q2 2026, as the asset class outperformed developed markets amid resilient global demand and stable commodity markets.

15.62%

Small Cap

28.55%

Growth

26.11%

Large Cap

23.69%

Value

Emerging Markets = 12% World Market Capitalization or **$19.9 trillion**

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI Emerging Markets Index [net dividends]), Small Cap (MSCI Emerging Markets Small Cap Index [net dividends]), Value (MSCI Emerging Markets Value Index [net dividends]), and Growth (MSCI Emerging Markets Growth Index [net dividends]). All index returns are net of withholding tax on dividends. World Market Cap represented by S&P/TSX Composite Index, Russell 3000 Index, MSCI EAFE IMI Index, MSCI Emerging Markets IMI Index.

KELSON GESTION DE PATRIMOINE WEALTH MANAGEMENT

iA Gestion privée de patrimoine Private Wealth

Fixed Income

Yield Curve Dynamics

Interest rates decreased in the Canadian government bond market during the quarter. The Canadian government yield curve was generally upwardly sloped throughout the quarter.

Term Premiums

Realized term premiums were positive for bonds denominated in the Canadian dollar during the quarter, as longer-term bonds outperformed their shorter-term counterparts.

Credit Premiums

Realized credit premiums for bonds denominated in the Canadian dollar were positive during the quarter, as corporate bonds generally outperformed their government counterparts.

Asset Class	QTR	1 Year	3 Year
Bloomberg Global Aggregate Bond Index (hedged to CAD)	0.91%	1.41%	3.13%
FTSE Canada Universe Bond Index	2.01%	3.46%	4.42%

Still on Track for a Good Year

> *"I've said many times in this space that the secret to weathering market volatility is leaving your account statements unopened more often. The S&P 500 Index dropped 2.63% on June 5, placing it among the worst of the index's daily returns over the past 30 years. But zooming out, a cumulative return of 8.4% is a good start to the year, considering the longer-term annualized return has been 10.6%."*
>
> -*Wes Crill, PhD, Senior Client Solutions Director and Vice President, Dimensional Fund Advisors*

Most of us would have gladly signed up in advance for that type of performance over the first half of 2026, especially given the backdrop of an ongoing war. The ride has been bumpy, but that's what distracts from the long-term view, and tolerating the bumps is part of what earns you the equity premium. For long-term investors, maintaining discipline is typically more effective than reacting to short-term events.

KELSON
GESTION DE PATRIMOINE
WEALTH MANAGEMENT

iA
Gestion privée de patrimoine™
Private Wealth™