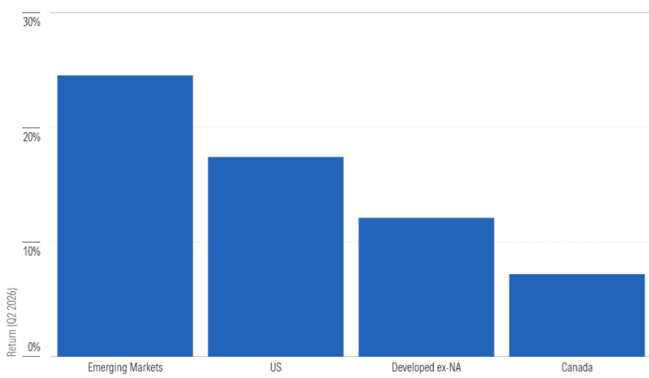
MODEL PORTFOLIO Q2 2026

iA Private Wealth™ | LUFT FINANCIAL

Market Summary

In the **Q2 2026**, the financial landscape shifted from widespread geopolitical anxiety to a resilient market rebound. While the quarter began under the shadow of the Iran war, high oil prices, and surging global inflation, the environment shifted constructively near quarter-end due to an interim peace deal that reopened the Strait of Hormuz. This geopolitical relief sent oil prices tumbling, which alleviated worst-case inflation fears, sparked the best quarterly rally for stocks since 2020 led by a revived AI hardware trade and allowed bond prices to rise despite mixed economic performance and central bank caution globally.

Emerging Markets Led as Korean Chip Stocks Rallied



Source: Morningstar Direct. Data as of June 30, 2026.

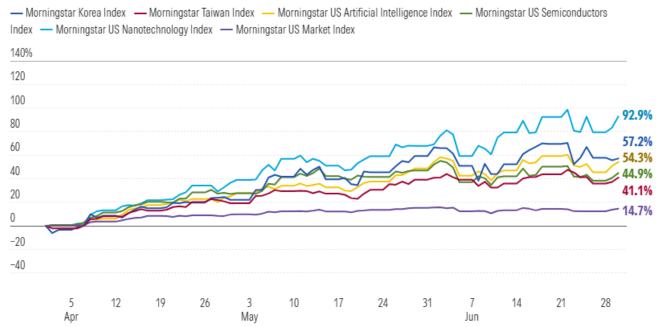
The **U.S. Market** experienced a significant leadership reversal, the Morningstar US Market Index surged 15.52%, staging a dramatic comeback from first-quarter losses where stocks had struggled under an "AI Loser trade" and war-induced oil spikes. Investors pivoted back toward equities as optimism grew around a ceasefire in the Iran war and oil prices trended down toward prewar levels, sustaining a robust rally through late May despite late-quarter friction from growing expectations that the Fed may raise interest rates to combat inflation.

Q2's US Stock Market Rally

Source: Morningstar Direct. Data as of June 30, 2026.

After triggering an initial reassessment of legacy business models, the tide turned as investors aggressively doubled down on the picks-and-shovels foundation of the AI boom. This rolling surge, which initially lifted semiconductor hardware, expanded into stratospheric gains for memory stocks as supply shortages grew and big AI labs showed no signs of slowing capital expenditure. The prevailing momentum proved that generative AI infrastructure acts as an historic catalyst for hardware leaders, fueling record-breaking quarterly rallies across global benchmarks highlighted by massive surges in South Korea and Taiwan, and a historic 99.25% gain for the hardware-heavy US Nanotechnology Index.

The AI Trade's Big Quarter



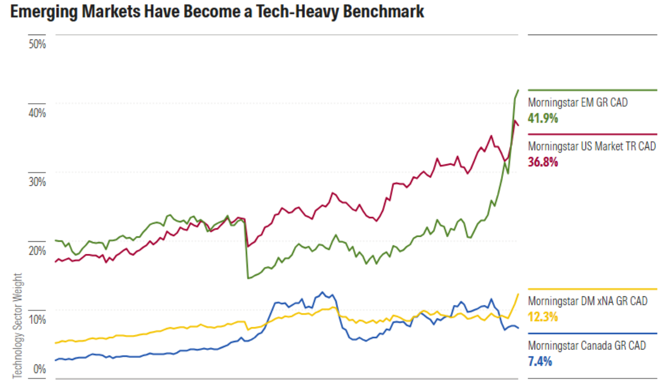
Source: Morningstar Direct. Data as of June 30, 2026.

The **Canadian Market** shifted as sector divergence, the energy sector fell 4.4% and basic materials dropped 11.8%, the Morningstar Canada Financial Services Index climbed an impressive 26.3%. However, the domestic outlook remains clouded by a slowing labor market, potential changes to the CUSMA trade agreement, and cautious central bank policy. While the central bank held rates steady, the underlying threat of energy-driven inflation from earlier in the quarter keeps future rate hikes on the table, leaving funds overweight in financials and underweight in commodities as the quarter's primary winners.

The **European Market** pivoted from downward pressure to notch quarterly gains, driven entirely by a sharp divergence in equity sector performance. The MSCI Europe index rose strongly, led by massive gains in the Technology and Financials sectors. Tech stocks surged on the back of resilient corporate earnings and intense optimism surrounding the artificial intelligence trade. Conversely, the Energy sectors underperformed with energy stocks sliding as oil prices collapsed back to pre-war levels. UK FTSE All-Share index also finished the quarter higher. However, overall progress for the index was heavily capped by its large weighting in the Energy sector, which emerged as the primary market laggard during the quarter's oil price unwinding.

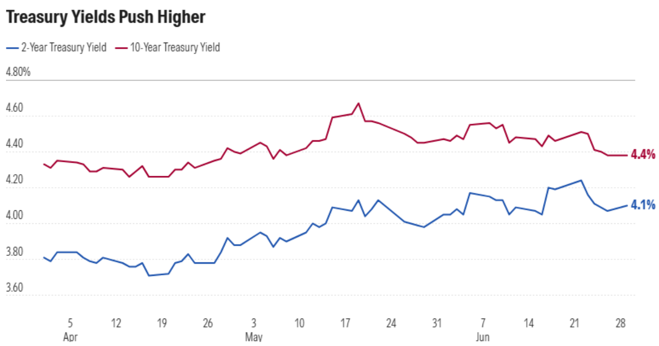
Emerging Markets significantly outperformed developed markets as they rode the same historic semiconductor wave. EM equities surged 24% marking their best quarter since 2009 fueled by the high concentration of the AI hardware supply chain in Taiwan and South Korea. However, these massive gains were not broad-based; the rally was heavily concentrated in a small group of semiconductor giants. Driven by explosive surges from industry leaders like Samsung, SK Hynix, and Taiwan Semiconductor, the information technology sector's share kept growing, ultimately accounting for a dominant 42% of the total index weighting by late June.

Emerging Markets Have Become a Tech-Heavy Benchmark



Source: Morningstar Direct. Data as of June 30, 2026.

The **Fixed Income and Bond Market** underwent a complex "bumpy ride" as the narrative of imminent interest rate cuts completely evaporated. Prior to the second-quarter market shifts, investors had anticipated cuts due to 2025 job market weakness, but an energy price shock and unexpectedly strong hiring data forced a violent reversal. Under new Fed Chair Kevin Warsh, the market quickly priced in persistent inflation, swinging expectations toward a "higher-for-longer" stance with bond traders now factoring in one or two rate hikes for 2026. While yields briefly pulled back from their highs as oil prices normalized, ongoing upward pressure remains driven by expanding global budget deficits and a massive surge in corporate borrowing by tech hyperscalers financing the AI buildout.



Source: Federal Reserve Economic Database. Data as of June 30, 2026.

Commodities experienced a sharp reversal, sending the S&P GSCI index down 11.4%. In a sharp shift from early conflict highs, energy and precious metals both declined sharply. Brent crude and oil prices fell after the U.S. and Iran agreed to a ceasefire, even though shipping volumes through the critical Strait of Hormuz remained well below pre-conflict levels. While the market initially feared a prolonged disruption that would boost industrial metals and fertilizers, industrial metals finished little changed for the quarter while agriculture softened and rising inflation expectations drove investors away from gold toward return-generating assets like government bonds.

In a striking continuation of its reversal, gold failed to maintain its traditional role as a haven despite the lingering geopolitical turmoil. Instead of attracting buyers amid the Iran war and rising inflation expectations, the metal suffered a "white-knuckle" collapse, falling some 15% in the second quarter to mark its largest quarterly decline since 2013. The plunge was compounded by an 11.2% drop in June alone, as speculative bubbles burst and market focus shifted toward a hawkish central bank response, with rising bond yields and potential Fed rate hikes driving a stronger U.S. dollar and increasing the opportunity cost of holding the non-yielding asset.

Source: FactSet. Data as of June 30, 2026.

Bitcoin entered a definitive "crypto winter" as its extended bear market showed no signs of slowing. The largest cryptocurrency fell roughly 13% to finish below $59,500 on June 30, following a 23% decline in the first quarter and marking a total 53% drop from its October 2025 all-time high of nearly $126,200. This severe downward momentum was primarily driven by institutional selling, persistent ETF outflows, and regulatory uncertainty, alongside a broader shift in investor attention away from crypto toward AI. The resulting selloff triggered a wave of forced liquidations in derivatives markets, accelerating volatility as leveraged investors were pushed out of their positions.

Source: FactSet. Data as of June 30, 2026.

Market Outlook

A Defensive Pivot on U.S. Equity Valuations

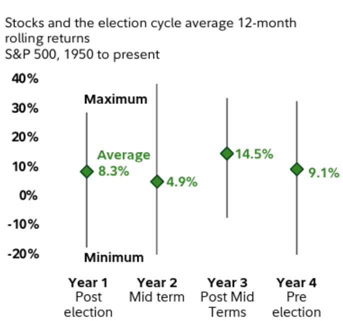
While the U.S. corporate profit cycle remains a primary engine for global growth, much of this fundamental strength is already priced into equities. Extreme year-to-date rallies have left semiconductor and memory space valuations highly vulnerable to sudden shifts in market sentiment, prompting us to maintain an intentional underweight position in technology within our model portfolio. By specifically trimming exposure to stretched semiconductor names, we aim to insulate the portfolio from a potential large drawdown if sentiment abruptly shifts. In contrast, select mega-cap tech stocks outside of hardware remain reasonably priced relative to their earnings power, while the healthcare sector stands out as an attractive, cheaper defensive entry point with historical resilience during turbulent market cycles.

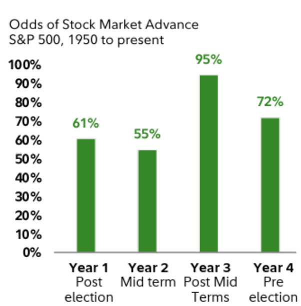
To navigate these valuation risks and impending volatility, our portfolio strategy shifts away from a polarized barbell approach toward a well-balanced split across growth, value, and core assets. On a market-cap scale, small-cap stocks currently present the most compelling valuation discount after historically underperforming the broader market.

Navigating Midterm Election Uncertainty

The approaching November midterm elections introduce an established historical pattern of policy ambiguity, typically resulting in a muted phase with elevated volatility over the preceding 12 months. This historical soft performance reflects peaking fiscal and regulatory anxiety, a climate that directly reinforces the decision to maintain an underweight position in technology within our model portfolio. By specifically trimming exposure to highly sensitive semiconductor names, we aim to protect capital from potential large drawdowns as political and trade narratives shift ahead of the vote. Conversely, the 12 months following midterms historically yield the market's strongest gains, averaging a 14% return as political outcomes gain clarity, risk premiums compress, and equities traditionally re-rate higher.

Despite these elevated political risks, the traditional pre-midterm market weakness has been heavily mitigated this cycle by exceptional corporate cash flows, robust business spending, and resilient aggregate profits. Furthermore, trailing six-year rolling per-share earnings growth currently sits in its lowest historical quartile since 1962. Historically, starting from an earnings trough of this magnitude correlates with an 88% probability of positive market returns over the subsequent 12 months, providing a powerful fundamental buffer that allows us to capture broad market upside while keeping our technology and hardware exposure defensively restrained.





Source: Fidelity Investments. Data as of May 30, 2026.

Portfolio Strategy

The Portfolio Management Team (PMT) remains vigilant in navigating the complexities of today's rapidly evolving financial markets. Our proactive approach ensures that client portfolios are well-positioned to balance risk and opportunity amidst changing economic conditions.

The PMT continues to evaluate market conditions daily, maintaining a disciplined approach to portfolio management. While we remain optimistic about growth opportunities, we are prepared to adopt a more defensive posture if market signals indicate increased risk. Our team is judiciously deploying new capital into client portfolios, prioritizing investments that align with our long-term objectives of capital preservation and growth.

Looking ahead, we are actively monitoring global economic indicators, geopolitical developments, and sector-specific trends to determine the optimal timing for a comprehensive rebalance of all client portfolios. This rebalance will ensure that each portfolio remains aligned with our clients' risk tolerances, financial goals, and the evolving market landscape.

Our proactive adjustments reflect our commitment to safeguarding and growing our clients' wealth in a dynamic and unpredictable market environment. By reducing risk, enhancing diversification, and positioning portfolios to capture global opportunities, we aim to deliver consistent, long-term value. We will continue to keep you informed of significant updates and welcome any questions or discussions regarding your portfolio.

Portfolio Holdings as of June 30, 2026

PORTFOLIO HOLDINGS	SYMBOL	INVESTMENT OBJECTIVE	RISK RATING	DEFENSIVE (Conservative)	PROTECTION (Balanced)	PENSION (Balanced Growth)	PENSION + (Balanced Growth)	PURSUIT (Growth)
Equity				**0.00**	**40.00**	**55.00**	**60.00**	**80.00**
Platinum Growth Fund	MAJ397	Growth	Medium	–	20.00	27.00	30.00	40.00
Fidelity All-American Equity ETF	FCAM	Growth	Medium	–	5.00	5.00	7.50	10.00
RBC Quant U.S. Dividend Leaders ETF	RUD	Income/Growth	Medium	–	5.00	5.00	7.50	10.00
Fidelity All-Canadian Equity ETF	FCCA	Growth	Medium	–	3.00	4.50	4.50	6.00
RBC Quant Canadian Dividend Leaders ETF	RCD	Income/Growth	Medium	–	3.00	4.50	4.50	6.00
Fidelity All-International Equity ETF	FCIN	Growth	Medium	–	2.00	3.00	3.00	4.00
RBC Quant EAFE Dividend Leaders ETF	RID	Income/Growth	Medium	–	2.00	3.00	3.00	4.00
BMO Equal Weight Utilities Index ETF	ZUT	Income/Growth	Medium	–	–	3.00	–	–
Fixed Income				**74.00**	**46.00**	**29.00**	**16.00**	**0.00**
Majestic Global Income Fund	MAJ383	Income	Low	–	18.00	13.00	–	–
RBC Core Bond Pool	PCOR	Income	Low	–	14.00	8.00	8.00	–
CIBC Core Fixed Income Pool	CCRE	Income	Low	–	14.00	8.00	8.00	–
Canoe Bond Advantage Portfolio Class	GOC703	Income	Low	25.00	–	–	–	–
CI Global Investment Grade Class	CIG54101	Income	Low	25.00	–	–	–	–
RBC Canadian T-Bill Fund	RBF962	Income	Low	24.00	–	–	–	–
Alternative Investment				**25.00**	**13.00**	**15.00**	**23.00**	**19.00**
Antrim Balanced Mortgage Fund	ABM103	Income	Medium	25.00	5.00	5.00	9.00	10.00
Dynamic Active Enhanced Yield ETF	DXQ	Income/Growth	Low/Medium	–	2.00	2.00	2.00	3.00
PICTON Market Neutral Equity Alternative ETF	PFMN	Growth	Low	–	2.00	2.00	2.00	3.00
Dynamic Short-Term Credit Plus ETF	DXCP	Income/Growth	Low	–	2.00	2.00	4.00	–
PICTON Long/Short Income Alternative ETF	PFIA	Income/Growth	Low	–	2.00	2.00	4.00	–
TD Alternative Commodities Pool ETF	TCOM	Growth	Medium	–	–	2.00	2.00	–
Fidelity Long / Short Alternative ETF	FLSA	Growth	Medium	–	–	–	–	3.00
Cash & Cash Equivalent				**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

Equity Securities

Platinum Growth Fund

- The Platinum Growth Fund is our main equity pool, and it consists of 13 different investment Funds.
- Each Fund is actively managed by a team consisting of Portfolio Managers and Analysts who are experts in their respective fields.
- We have conducted research and the due diligence process on each Fund
- We select the manager that we believe will outperform its peers and provide the best risk-adjusted return and diversification.

Fidelity All-American Equity ETF (FCAM)

- The Fund is actively managed by a quantitative team.
- A core portfolio holding offering the potential for capital appreciation, and focused regional equity exposure.
- It provides the potential to outperform traditional passive strategies.
- It is an efficient complement to a well-diversified portfolio.

Fidelity All-Canadian Equity ETF (FCCA)

- The Fund is actively managed by a quantitative team.
- A core portfolio holding offering the potential for capital appreciation, and focused regional equity exposure.
- It provides the potential to outperform traditional passive strategies.
- It is an efficient complement to a well-diversified portfolio.

Fidelity All-International Equity ETF (FCIN)

- The Fund is actively managed by a quantitative team.
- A core portfolio holding offering the potential for capital appreciation, and focused regional equity exposure.
- It provides the potential to outperform traditional passive strategies.
- It is an efficient complement to a well-diversified portfolio.

RBC Quant U.S. Dividend Leaders ETF (RUD)

- The ETF follows a Quantitative multi-factor approach used to gauge a company's financial strength.
- ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of high-quality U.S. equity securities that are expected to provide regular income from dividends and that have the potential for long-term capital growth.
- It invests in companies with attractive dividend yield with long-term growth potential and emphasizes consistent and growing dividend payers.

RBC Quant Canadian Dividend Leaders ETF (RCD)

- The ETF follows a Quantitative multi-factor approach used to gauge a company's financial strength.
- ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of high-quality Canadian equity securities that are expected to provide regular income from dividends and that have the potential for long-term capital growth.
- It invests in companies with attractive dividend yield with long-term growth potential and emphasizes consistent and growing dividend payers.

RBC Quant EAFE Dividend Leaders ETF (RID)

- The ETF follows a Quantitative multi-factor approach used to gauge a company's financial strength.
- ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of high-quality equity securities in markets in Europe, Australasia and the Far East (EAFE) that are expected to provide regular income from dividends and that have the potential for long-term capital growth.
- It invests in companies with attractive dividend yield with long-term growth potential and emphasizes consistent and growing dividend payers.

Fixed Income Securities

The Select Global Income Fund

- The Select Global Income Fund is our main fixed income pool. It consists of ten different investment funds.
- Each fund is actively managed by a team consisting of Portfolio Managers and Analysts who are experts in their respective fields.
- We have conducted research and the due diligence process on each Fund.
- We select the manager that we believe will outperform its peers and provide the best risk-adjusted return and diversification.

RBC Core Bond Pool ETF

- The ETF seeks to provide regular income with a potential for modest capital appreciation. The fund invests primarily in units of other mutual funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds that invest in fixed-income securities.
- The Diversified exposure to global fixed income securities and the potential for modest capital appreciation.

CIBC Core Fixed Income Pool ETF

- This ETF will focus on generating regular income, with a secondary focus on generating modest long-term capital appreciation, by investing primarily in units of other mutual funds that invest in fixed income securities.

Canoe Bond Advantages Portfolio Class

- Tax-efficient Portfolio Class structure.
- Core North American investment grade bond portfolio.
- High quality corporate issuers for income, long duration bonds for insurance and government bonds for liquidity.
- Actively managed duration and bottom-up fundamental credit process.

CI Global Investment Grade Class

- Tax-efficient Portfolio Class structure.
- Seeking regular income and the potential for long-term capital appreciation.
- Low degree of risk and global fixed income exposure to your investment portfolio.

RBC Canadian T-Bill Fund

- Provide interest income while attempting to preserve capital and maintain liquidity.
- Provides a high level of safety by investing primarily in Government of Canada T-bills and other government guaranteed short-term debt instruments.

Alternative Investment Securities

Antrim Balanced Mortgage Fund

- The fundamental objective of the Fund is to preserve capital while generating a steady stream of interest income. This is achieved by investing in a diversified portfolio of residential first and second mortgages in major centers of Canada.
- Target asset allocation is 75% in residential first mortgages and 25% in residential 2nd mortgages.
- Maximum loan-to-value is 75% at the time of funding.
- The correlation of the funds is low with government and corporate bonds. The low correlation between other asset classes could provide significant diversification benefits to the portfolio.

PICTON Market Neutral Equity Alternative ETF

- The Fund's objective is to provide consistent long-term capital appreciation with an attractive risk-adjusted rate of return in any market condition.
- The investment strategy of the Fund is to employ a true market neutral equity strategy by investing in long and short positions (typically 100% long equity exposure and 100% short equity and derivatives exposure), aiming for an average equity market beta of 0, while offering diversification and serving as a complement to typical long-biased portfolios heavily exposed to the equity market.

Fidelity Long / Short Alternative ETF

- The Fund seeks to capture alternative sources of alpha
- The investment strategy of the Fund is to employ a true market neutral equity strategy by investing in long and short positions (typically 100% long equity exposure and 100% short equity and derivatives exposure), aiming for an average equity market beta of 0, while offering diversification and serving as a complement to typical long-biased portfolios heavily exposed to the equity market.

Dynamic Active Enhanced Yield Covered Options ETF

- Access to an actively managed portfolio where stocks are selected based on fundamental analysis and sector allocations are not constrained by the need to replicate a benchmark.
- Expand portfolio beyond traditional mutual fund solutions.

PICTON Long / Short Income Alternative ETF

- The Fund's objective is to maximize total return to unit holders through income and capital appreciation by investing primarily in corporate bonds while mitigating capital loss through shorting and other hedging strategies.

Dynamic Short-Term Credit PLUS ETF

- For clients looking to generate additional yield in their portfolios
- Benefit from the lower volatility provided by shorter-dated bonds
- Includes the active management of credit, security selection and interest rate risk

Disclaimer