Fiera Capital Global Asset Allocation

Monthly Update: September 2026

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Investor sentiment was surprisingly resilient In August even despite warnings from the bond market, signs of weakness from the American consumer, growing wariness about the artificial intelligence (AI) trade, and an erratic geopolitical and trade landscape. Still, a strong earnings season helped risk assets deliver solid gains last month.

FINANCIAL MARKET DASHBOARD				
	AUG. 31, 2026	MTD	YTD	1 YEAR
EQUITY MARKETS		% PRICE CHANGE (LC)		
S&P 500	7686	2.62%	12.28%	18.98%
S&P/TSX	36270	2.96%	14.38%	26.98%
MSCI EAFE	3233	1.80%	11.77%	18.77%
MSCI EM	1719	3.21%	22.43%	36.62%
FIXED INCOME (%)		BASIS POINT CHANGE		
US 10 Year Bond Yield	4.75	1.5	58.3	52.2
US 2 Year Bond Yield	4.34	5.0	86.9	72.5
CA 10 Year Bond Yield	3.74	7.4	30.5	36.3
CA 2 Year Bond Yield	3.01	9.1	42.2	36.8
CURRENCIES		% PRICE CHANGE		
CAD/USD	0.72	1.21%	-0.93%	-0.81%
EUR/USD	1.16	0.79%	-1.09%	-0.58%
USD/JPY	159.74	1.49%	1.93%	8.63%
COMMODITIES		% PRICE CHANGE		
WTI Oil (USD/bbl)	85.76	1.29%	49.36%	33.98%
Copper (USD/pound)	6.59	1.98%	16.04%	45.92%
Gold (USD/oz)	4446.80	9.82%	2.43%	27.52%

Source: Bloomberg, as of August 31, 2026.

Global equity markets posted positive results in August. The S&P 500 gained +2.6%, with the technology sector (+6.2%) leading the way following a late-month revival in AI enthusiasm. The S&P/TSX (+3.0%) also had a solid month despite escalating trade tensions between Canada and the US, with robust outperformance in the heavyweight gold (+32.1%) space countering weakness elsewhere. The MSCI EAFE gained +1.8%, while the MSCI gauge of emerging market stocks (+3.2%) led the global charge, with tech heavyweights in Asia soaring higher as traders raised bets on the AI trade.

Global bond yields climbed to multi-year highs amid lingering concerns about fiscal deficits, oil-induced inflation, and supply pressure from the AI industry's borrowing binge. The yield on a Bloomberg gauge of global sovereign bonds rose to its highest since mid-2008. In the United States, the policy-sensitive two-year treasury yield pushed higher after Federal Reserve Chair Warsh doubled down on his vow to tame inflation. That prompted traders to price in nearly 70% odds of a rate hike at the September gathering. The ten-year treasury yield topped 4.75% for the first time since January 2025. In Canada, bond yields backed-up across the curve following a slightly hotter-than-expected reading on inflation and a snapback in GDP growth. For the month, the Bloomberg US Aggregate Bond Index rose 0.4% – while the FTSE Canada Bond Universe shed -0.2%.

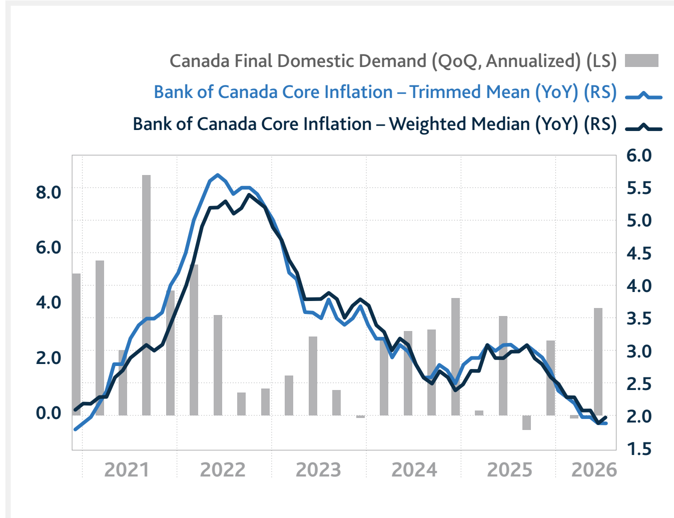
The US dollar inched lower. Early in the month, expectations for Federal Reserve rate hikes eased on signs of a softening labor market, two tame inflation readings, and a disappointing reading on consumer spending. However, the greenback reversed course after Chair Warsh's hawkish-leaning speech at Jackson Hole stoked a profound repricing for rate hikes.

Finally, oil advanced as fresh hostilities between the US and Iran raised concerns about prolonged disruptions to energy flows through the Strait of Hormuz. Gold rallied to a three-month high – buoyed by the US Treasury's unexpected intervention to stem a damaging increase in borrowing costs that revived investor fears about its fiscal burden. That sent the US dollar tumbling lower and boosted bullion prices as investors sought out an alternative safe haven.

Economic Overview

Canada

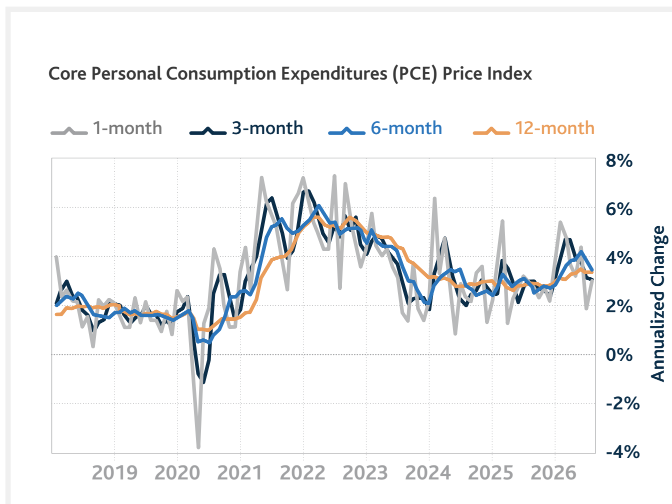
The Canadian economy came back to life and grew at its fastest pace since 2023 in the second quarter – rising at a 3.3% annualized pace. Growth was driven by robust goods exports, a rebound in business investment, and solid household spending. Final domestic demand was +3.8%, its strongest pace since the fourth quarter of 2024. Meanwhile, the Bank of Canada's (BoC) preferred measures of core inflation came in on the warmer side of expectations in July, with the average of the two gauges (median and trim) coming in at 2.0% versus 1.9% in June. Since then, trade headwinds have intensified, with new US tariffs now imposed, Canadian retaliation due in early September, and the prospect of further escalation. What's more, oil prices have reverted higher as the US-Iran war continues. With upside risks to inflation coming up against downside risks to growth, that leaves the central bank in a precarious position and argues for a patient approach rather than a pivot.



Source: Bloomberg, as of August 31, 2026.

United States

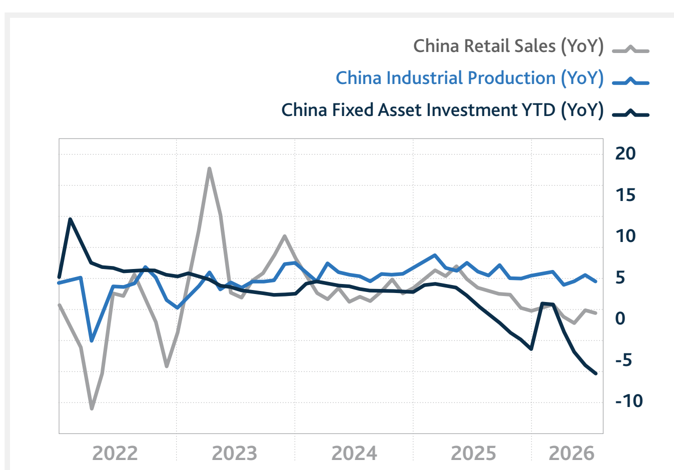
The Federal Reserve's preferred measure of underlying inflation – the core personal consumption expenditures (PCE) price index – remained well-above the 2% target at the beginning of the third quarter – offering little evidence of renewed disinflation. The core PCE price gauge came in at 3.3% y/y in July. In his Jackson Hole keynote, Chair Warsh reiterated the Federal Reserve's resolve to fight inflation – reinforcing that price stability remains the priority. He warned that underlying trends in inflation haven't meaningfully improved and said policymakers must be confident that they are - otherwise the central bank has "work to do" – noting that short-term interest rates are the Fed's predominant tool for achieving its dual mandate. He added that financial conditions are not currently restrictive. While stopping short of explicitly endorsing a near-term rate hike, Chair Warsh came the closest he has yet to conceding rate hikes may be required should inflation pressures fail to dissipate.



Source: Bloomberg, as of August 31, 2026.

China

China's slowdown worsened at the start of the second half of the year as a boom in technology has failed to lift sectors untouched by the global AI buildout. Industrial production expanded 4.5% y/y in July. However, on the demand side, the contraction in investment deepened sharply (-6.7% y/y) - while household consumption stagnated – with retail sales growth slowing to 0.6% y/y. The purchasing manager indices (PMI) for August corroborated that narrative and suggests manufacturers remain supported by demand abroad and pockets of strength in technology-related industries – even as domestic demand remains subdued. Authorities are facing a daunting task of reviving business and household spending whose downturn has left the economy increasingly reliant on exports to sustain growth. The data underscores a mounting risk that the economy will miss its 4.5%-5.0% growth target unless policymakers deliver robust and immediate support.



Source: Organization for Economic Cooperation and Development (OECD)

Economic Scenarios

Main Scenario | Sustained Inflation — Probability 45 %

In this high probability scenario, upside risks to inflation and downside risks to growth subside in response to the peace accord between the United States and Iran. As the Strait of Hormuz reopens and energy flows through the vital waterway resume, oil prices tumble back towards pre-conflict levels. Still, there are some notable forces that risk keeping inflation sustainably elevated – including the potential for re-escalation in the Middle East conflict and a subsequent spike in oil prices, the Artificial Intelligence (AI) boom and associated supply-side stress, and the prospect for higher tariffs from the US administration. Should long-term inflation expectations remain reasonably anchored – central banks would likely lean against tightening aggressively and opt to live with elevated inflation – with little appetite to induce a hard economic landing. Still, a higher for longer rate environment suggests economic conditions would shift downwards to a trend-like pace.

Scenario 2 | Stagflation — Probability 30 %

Upside inflation risks continue to loom large on the back of an erratic geopolitical and trade environment. However, the trajectory for the global economy hinges on the reaction function of the Federal Reserve and other major central banks. In this scenario, a spike in long-term inflation expectations would undoubtedly force central banks' hand and monetary policy would be tightened in response. Policymakers prioritize bringing inflation under control, with the economy assuming the collateral damage from an aggressive tightening event. That macroeconomic outcome tilts the scales towards an environment of "stagflation" – with upside risks to inflation coming up against downside risks to growth.

Scenario 3 | Recession — Probability 15 %

While the worst-case outcomes stemming from a tumultuous geopolitical and trade backdrop have been averted (reducing the risk of recession), the potential for flare-ups remain a tail risk. On the geopolitical front, a worst-case outcome involves a protracted conflict that leads to sustained disruption to global energy flows. A long-lasting supply shock and a spike in oil prices risks morphing into a demand-shock and a contraction in economic growth. Trade dynamics also pose risks to the outlook. While negotiations and trade deals brought some relative stability – there's still little clarity on the policy direction and the long-run tariff regime. The US is set to impose new tariffs in the second half under Section 301, the United States-Mexico-Canada Agreement (USMCA) negotiations are dragging on, and Europe is also weighing further trade-protectionist policies. These developments may pave the way for a prolonged period of trade policy uncertainty – with the potential to dampen global economic activity.

Scenario 4 | Productivity Boom — Probability 10 %

In this optimistic scenario, massive investment in Artificial Intelligence (AI) boosts productivity (and accordingly, growth) without the associated upside pressures on inflation - an environment of "disinflationary growth" that allows the Federal Reserve to resume its easing campaign. Indeed, a productivity shock is unanimously dovish for the Federal Reserve. While inflation declines and reinforces the case for easier monetary policy, a reduction in labour supply keeps the unemployment rate relatively contained. Moreover, productivity gains spread more broadly around the world, with buoyant tech investment and higher stock prices buttressing global growth.

Forecasts for the Next 12-18 Months

SCENARIOS	AUG. 31, 2026	SUSTAINED INFLATION	STAGFLATION	RECESSION	PRODUCTIVITY BOOM
PROBABILITY		45%	30%	15%	10%
GDP GROWTH					
Global	3.00%	3.00%	2.50%	2.00%	3.50%
Canada	1.50%	1.50%	1.00%	-1.50%	2.50%
U.S.	2.10%	2.00%	1.50%	-1.00%	3.00%
INFLATION (HEADLINE Y/Y)					
Canada	3.00%	2.25%	3.00%	2.00%	2.00%
U.S.	3.40%	3.00%	4.00%	2.00%	2.00%
SHORT-TERM RATES					
Bank of Canada	2.25%	2.25%	2.50%	2.00%	2.25%
Federal Reserve	3.75%	3.75%	4.75%	2.50%	3.00%
10-YEAR RATES					
Canada Government	3.74%	3.50%	4.00%	2.75%	3.00%
U.S. Government	4.75%	4.50%	5.25%	3.00%	3.75%
PROFIT ESTIMATES (12 MONTHS FORWARD)					
Canada	2172	2000	1900	1600	2100
U.S.	394	350	300	275	380
EAFE	196	180	170	150	190
EM	149	135	125	100	140
P/E (12 MONTHS FORWARD)					
Canada	16.7X	17.0X	16.0X	14.0X	17.5X
U.S.	19.5X	22.0X	20.0X	18.5X	23.0X
EAFE	16.5X	18.0X	15.0X	14.0X	19.0X
EM	11.5X	13.0X	12.0X	11.0X	15.0X
CURRENCIES					
CAD/USD	0.72	0.74	0.70	0.65	0.75
EUR/USD	1.16	1.17	1.10	1.00	1.20
COMMODITIES					
Oil (WTI, USD/barrel)	85.76	70.00	80.00	90.00	75.00
Gold (USD/oz)	4446.80	4500.00	4000.00	4800.00	4600.00

Source: Fiera Capital, as of August 31, 2026.

Discussions regarding potential future events and their impact on the markets are based solely on historical information and Fiera Capital's estimates and/or opinions, and are provided for illustrative purposes only. General Market projections are hypothetical estimates of long-term returns of economic asset classes based on statistical models and do not represent the returns of an actual investment. Actual results could vary substantially. Models have limitations and may not be relied upon to make predictions of future performance of any account. Past performance is not a guarantee of future results. Inherent in any investment is the potential for loss.

Portfolio Strategy

Matrix of Expected Returns (CAD)

SCENARIOS	SUSTAINED INFLATION	STAGFLATION	RECESSION	PRODUCTIVITY BOOM
PROBABILITY	45%	30%	15%	10%
TRADITIONAL INCOME				
Money Market	2.3%	2.4%	2.1%	2.3%
Canadian Bonds	4.2%	1.0%	8.0%	6.3%
NON-TRADITIONAL INCOME				
Diversified Credit	6.5%	7.0%	5.0%	7.0%
Diversified Real Assets	7.0%	7.5%	6.0%	8.0%
TRADITIONAL CAPITAL APPRECIATION				
Canadian Equity	-6.3%	-16.2%	-38.2%	1.3%
U.S. Equity	-2.3%	-19.5%	-26.5%	9.4%
International Equity	-2.3%	-18.7%	-27.9%	7.5%
Emerging Market Equity	-0.4%	-10.0%	-29.0%	17.5%
NON-TRADITIONAL CAPITAL APPRECIATION				
Private Equity	10.0%	12.0%	8.0%	15.0%
CAD/USD	0.74	0.70	0.65	0.75

Source: Fiera Capital, as of August 31, 2026.

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Current Strategy[1]

Traditional and Non-Traditional Portfolios

	MINIMUM	BENCHMARK	MAXIMUM	STRATEGY	+/-
Money Market	0%	5%	30%	20%	+15%
Canadian Bonds	5%	25%	45%	5%	-20%
Canadian Equity	10%	20%	40%	25%	+5%
U.S. Equity	0%	10%	20%	5%	-5%
International Equity	0%	10%	20%	0%	-10%
Emerging Market Equity	0%	5%	15%	5%	0%
Non-Traditional Income	5%	25%	45%	40%	+15%

Traditional Portfolios

	MINIMUM	BENCHMARK	MAXIMUM	STRATEGY	+/-
TRADITIONAL INCOME	**20%**	**40%**	**60%**	**50%**	**+10%**
Money Market	0%	5%	30%	20%	+15%
Canadian Bonds	5%	35%	55%	30%	-5%
TRADITIONAL CAPITAL APPRECIATION	**40%**	**60%**	**80%**	**50%**	**-10%**
Canadian Equity	5%	25%	50%	30%	+5%
U.S. Equity	0%	15%	30%	10%	-5%
International Equity	0%	15%	30%	5%	-10%
Emerging Market Equity	0%	5%	15%	5%	+0%

Evolution of Value-Added[1]

Source: Fiera Capital, as of August 31, 2026.

1 Based on a 100 basis point value added objective. The benchmark employed here is based on a model portfolio and for illustrative purposes only. Individual client benchmarks are employed in the management of their respective portfolios. Past performance is not a guarantee of future results. Inherent in any investment is the potential for loss.

Evolution of Strategy

	Money Market	Canadian Bonds	Canadian Equity	U.S. Equity	International Equity	Emerging Market Equity	Non-traditioal Income
January 1, 2006	+20%	-16%	-8%	+6%	-2%		
February 17, 2006	+16%	-10%	-10%	+6%	-2%		
April 4, 2006	+10%	-10%	0%	0%	0%		
May 9, 2006	+4%	-10%	+2%	+2%	+2%		
June 21, 2006	0%	-10%	+2%	+2%	+6%		
July 19, 2006	-10%	0%	+2%	+2%	+6%		
December 6, 2006	0%	-10%	+2%	+2%	+6%		
January 1, 2007	+5%	-10%	0%	+2%	+3%		
February 22, 2007	-5%	0%	0%	+2%	+3%		
March 9, 2007	0%	0%	-3%	0%	+3%		
June 29, 2007	0%	0%	-6%	-4%	+10%		
September 29, 2007	+6%	0%	-6%	-4%	+4%		
January 10, 2008	+12%	0%	-6%	-4%	-2%		
March 1, 2008	+16%	0%	-6%	-4%	-6%		
September 20, 2008	+8%	0%	-3%	-2%	-3%		
March 9, 2009	+8%	-8%	0%	0%	0%		
June 8, 2009	+8%	+2%	-4%	-3%	-3%		
December 9, 2009	+15%	-5%	-4%	-3%	-3%		
May 6, 2010	+15%	-15%	0%	0%	0%		
December 13, 2010	+10%	-15%	5%	0%	0%		
April 7, 2011	+10%	-10%	0%	0%	0%		
July 4, 2011	+10%	-15%	+5%	0%	0%		
August 10, 2011	+5%	-15%	+5%	+5%	0%		
October 5, 2011	+7%	-15%	+8%	0%	0%		
October 12, 2011	+6%	-10%	+4%	0%	0%		
November 11, 2011	+5%	0%	0%	0%	-5%		
December 7, 2011	0%	0%	+5%	0%	-5%		
April 20, 2012	+15%	-20%	+10%	0%	-5%		
July 31, 2012	+20%	-15%	0%	0%	-5%		
November 9, 2012	+10%	-15%	+10%	0%	-5%		
February 19, 2013	+5%	-15%	+10%	0%	0%		
August 6, 2013	0%	-15%	+10%	+5%	0%		
December 3, 2013	+10%	-15%	+5%	0%	0%		
February 5, 2014	0%	-15%	+10%	+10%	-5%		

Evolution of Strategy

	Money Market	Canadian Bonds	Canadian Equity	U.S. Equity	International Equity	Emerging Market Equity	Non-traditioal Income
October 14, 2014	0%	-20%	+5%	+10%	+5%		
November 14, 2014	+10%	-20%	+2.5%	+2.5%	+5%		
July 13, 2015	0%	-20%	+7%	+4%	+9%		
October 19, 2015	0%	-20%	+11%	0%	+9%		
June 24, 2016	+9%	-20%	+11%	0%	0%		
July 12, 2016	0%	-20%	+15%	0%	0%	+5%	
July 27, 2016	+5%	-20%	+12.5%	0%	0%	+2.5%	
October 31, 2016	0%	-20%	+12.5%	0%	0%	+7.5%	
April 5, 2017	+5%	-15%	+7.5%	0%	-5%	+7.5%	
December 6, 2017	+15%	-15%	+5%	-5%	-5%	+5%	
October 9, 2018	+15%	-15%	+5%	-10%	-5%	+10%	
November 9, 2018	0%	-20%	+5%	-10%	-5%	+10%	+20%
December 17, 2018	-5%	-20%	+5%	-5%	-5%	+10%	+20%
July 12, 2019	-5%	-20%	+5%	0%	-5%	+10%	+15%
March 24, 2020	0%	-15%	0%	0%	0%	0%	+15%
July 8, 2020	-5%	-20%	+10%	0%	0%	0%	+15%
March 11, 2021	-5%	-20%	+15%	-5%	0%	0%	+15%
August 2, 2021	+5%	-20%	+15%	-10%	-5%	0%	+15%
July 11, 2022	+15%	-20%	+7%	-10%	-7%	0%	+15%
November 29, 2022	+25%	-20%	0%	-10%	-10%	0%	+15%
August 3, 2023	+15%	-20%	+10%	-10%	-10%	0%	+15%
February 5, 2024	+5%	-20%	+10%	-5%	-10%	+5%	+15%
July 25, 2024	0%	-20%	+15%	-5%	-10%	+5%	+15%
October 23, 2024	+5%	-20%	+10%	-5%	-10%	+5%	+15%
November 19, 2024	+15%	-20%	+5%	-5%	-10%	0%	+15%

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Important Information