



To the Point.

April 2026 Edition

Market Review | Q1 2026

The defining event of the quarter was the Israeli–U.S. attack on Iran in late February, which reignited risk aversion and volatility across global markets.

Oil prices surged sharply, triggering a rapid sector rotation toward defensive stocks and resource-related equities. For investors, this spike in energy prices played a somewhat paradoxical stabilizing role by supporting the Canadian equity market at a time when foreign markets were declining. The technology sector experienced a pronounced correction globally. Investors scaled back growth expectations for artificial intelligence and software, while higher long-term interest rates continued to weigh on growth stock valuations.

As inflationary risks resurfaced due to rising oil prices, central banks adopted a cautious stance. The Bank of

Canada held its policy rate at 2.25%. The U.S. Federal Reserve also kept its policy rate unchanged, although markets continue to anticipate rate cuts later in the year.

RETURNS ON MAJOR ASSET CLASSES (CAD)

Market Returns (As at March 31, 2026)	1 st Quarter
Canadian Equities	3.9%
U.S. Equities	-2.9%
Global Equities	-1.8%
Fixed-Income	0.3%
USD vs. CAD Exchange Rate	-1.7%

Fund Returns (Series O) as at March 31, 2026

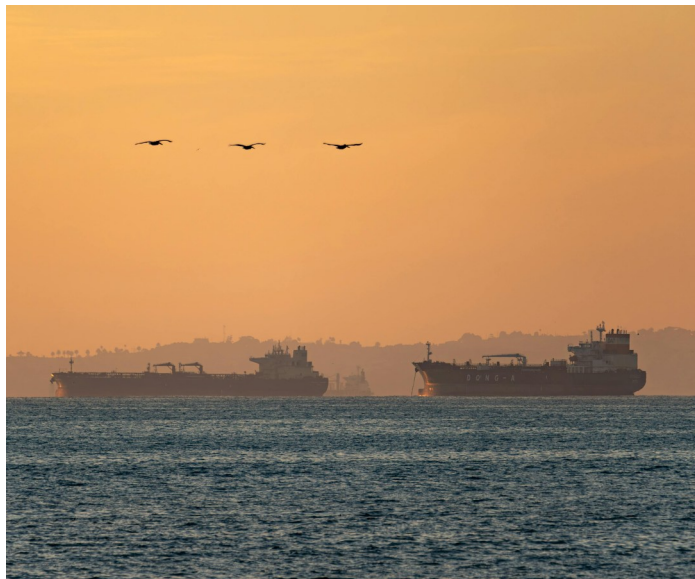
Fonds	YTD 2026	1 year	3 years	5 years	Since inception *
AA&A Canadian Equity	8.2%	32.6%	13.8%	12.3%	12.8%
AA&A Global Equity	2.8%	12.0%	15.9%	10.1%	11.8%
AA&A Fixed-Income	0.3%	3.0%	5.3%	2.5%	2.9%

* Fixed-Income: October 2, 2019; Canadian Equity: October 8, 2019; Global Equity: October 15, 2019

Finally, the Canadian economy showed signs of weakness, as GDP contracted in the final quarter of 2025. This backdrop contributed to a decline in short-term interest rates and supported Canadian bond markets, while underscoring the fragility of domestic economic conditions.

Outlook for 2026

The ongoing geopolitical conflict is driving increased volatility and a renewed investor move toward safe-haven assets. Oil and gas prices are expected to remain elevated and volatile. In the coming weeks, certain regions may begin experiencing oil shortages as tankers avoid navigating the Strait of Hormuz, through which nearly 20% of global oil supply transits. It is reasonable to expect that impacted regions are already exerting pressure on the parties involved to resolve the conflict. Public discontent is also rising in the United States, further increasing pressure on one of the key protagonists.



Should the conflict persist, a prolonged increase in oil prices would likely lead to higher overall inflation, weighing on global economic growth.

In such an uncertain environment, a well-constructed portfolio remains essential and, in our view, should still deliver solid long-term results.

Investing for the Next Generation, Not the Next Quarter

For more than 30 years, our philosophy has remained unchanged. We continue to offer portfolios that are high performing, prudent, and durable by adopting a long-term perspective and focusing on financial results rather than promises of future outcomes. This approach has delivered strong long-term results, particularly during periods when markets revise growth expectations lower, as appears to be the case today.

We are confident that our approach will continue to allow our clients to achieve attractive absolute returns that outperform benchmark indices over full market cycles.