RBC WEALTH MANAGEMENT · CLIENT PRESENTATION

The Evolving Market

Insight, Outlooks, and Opportunity

Wars & Geopolitics · Inflation · The AI Revolution · The Wealth Gap · The New Investor · Our Plan

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45 minutes | Bring your questions! | For our clients — not investment advice for your specific situation

Climbing the Wall of Worry

Aging Society

Multipolar World

Hot Wars

Sovereign Debt

AI Bubble

Climate Change

Stagflation

Decoupling

Casino Markets

Sticky Inflation

Tech Dominance

Trade Wars

Wealth Inequality

Oil Price Shocks

Canadian Housing

Weak Loonie

Fed Independence

Cyber Threats

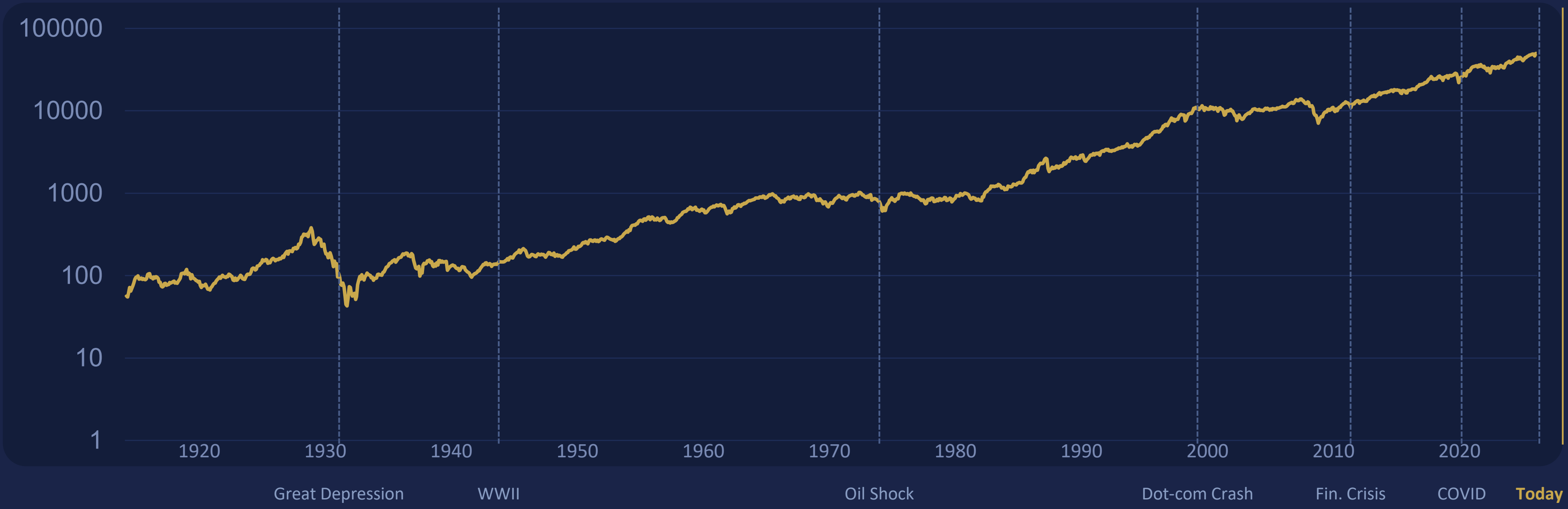
Credit "Cockroaches"

Walls of worry don't break bull markets — they build them.

CORE THESIS

The World Is Changing...

and it always has. Every crisis. Every time.



"Every single time, it felt like the end of something. And every single time, it wasn't."

TODAY'S AGENDA

5 Big Forces + 1 Practical Playbook

1 📊 Markets

New rules after the rate reset

2 🤖 AI

A real revolution, sized correctly

3 🌍 The World is Rearranging Itself

Trade, power, and the new global order

4 📱 Retail Investors

New behavior, new dynamics

5 📖 History

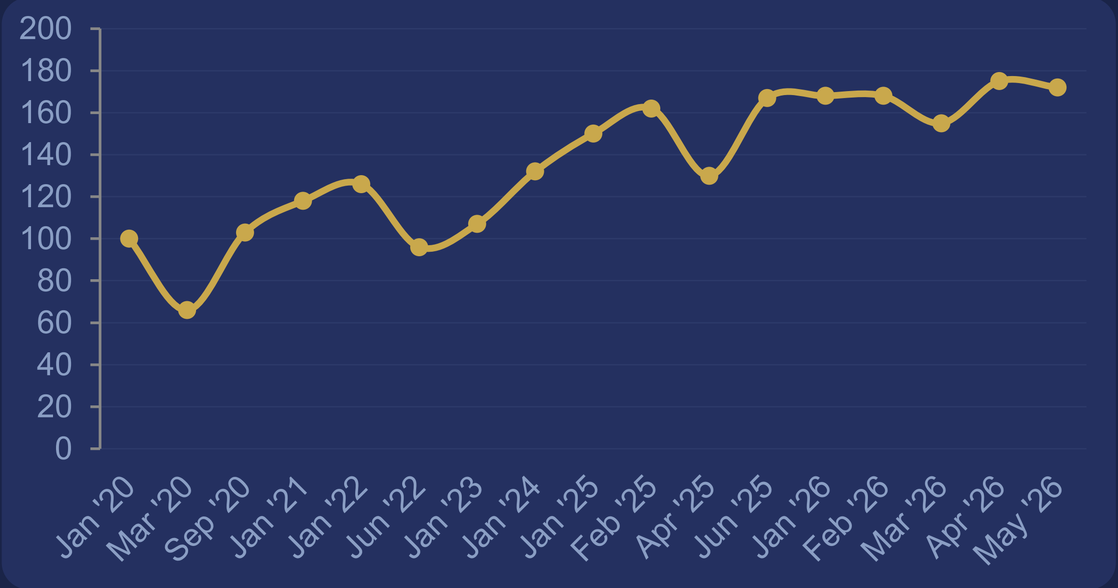
Cycles, lessons, and what repeats

6 🧭 Your Playbook

Simple principles. Consistently applied.

Three Crashes. Three Recoveries.

COVID → Tariff shock → Iran war -- markets absorbed all three.



COVID Crash & Recovery

−34% in 33 days (Mar 2020). Full recovery in 5 months. Markets reached new highs by year-end.

Tariff Shock & Recovery

"Liberation Day" tariffs: −19% from Feb peak by Apr 7. Surpassed pre-crash high in under 20 weeks.

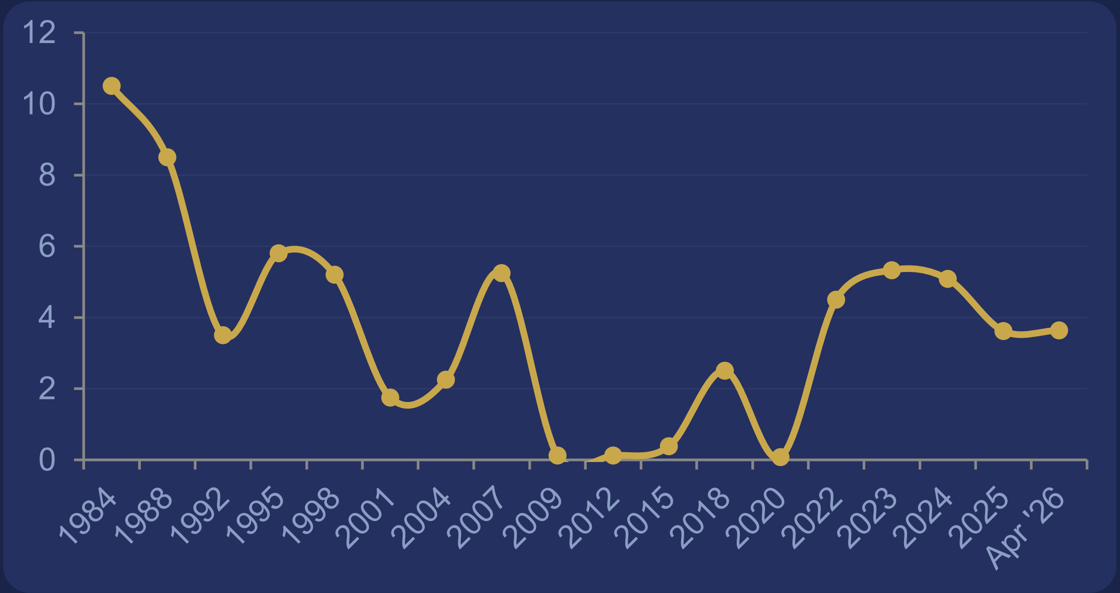
Iran War & Recovery

−8% from Feb 28 to Mar 30 low. New all-time high reached April 16 -- 47 days into the conflict.

Every crash felt like the end. Every time, markets recovered. Every single time.

The Big Shift: Borrowing Isn't Free Anymore

U.S. Federal Funds Rate -- 40 years, updated to April 2026



✅ Rates cut 175bps (2024–25)

Fed eased 5.33% → 3.62%
GICs & bonds back to real yields

⚠️ Held steady in 2026

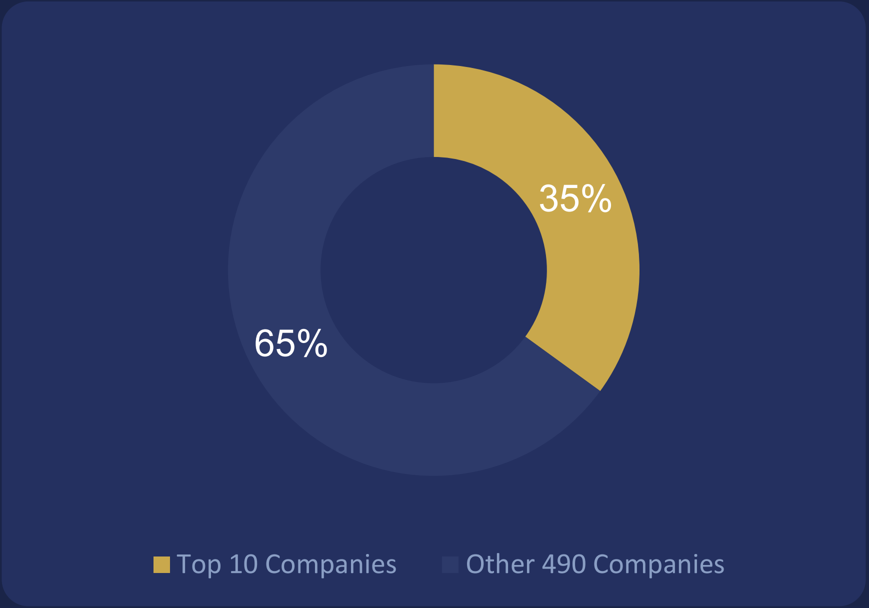
3.50–3.75% -- inflation still above 2% target

📐 New normal: ~3.5–4%

Zero-rate era over. Savers rewarded for caution again.

Something Unusual in U.S. Stocks

Concentration is high -- and most investors don't realize it.



~35% — **of the entire S&P 500**
held by just 10 companies

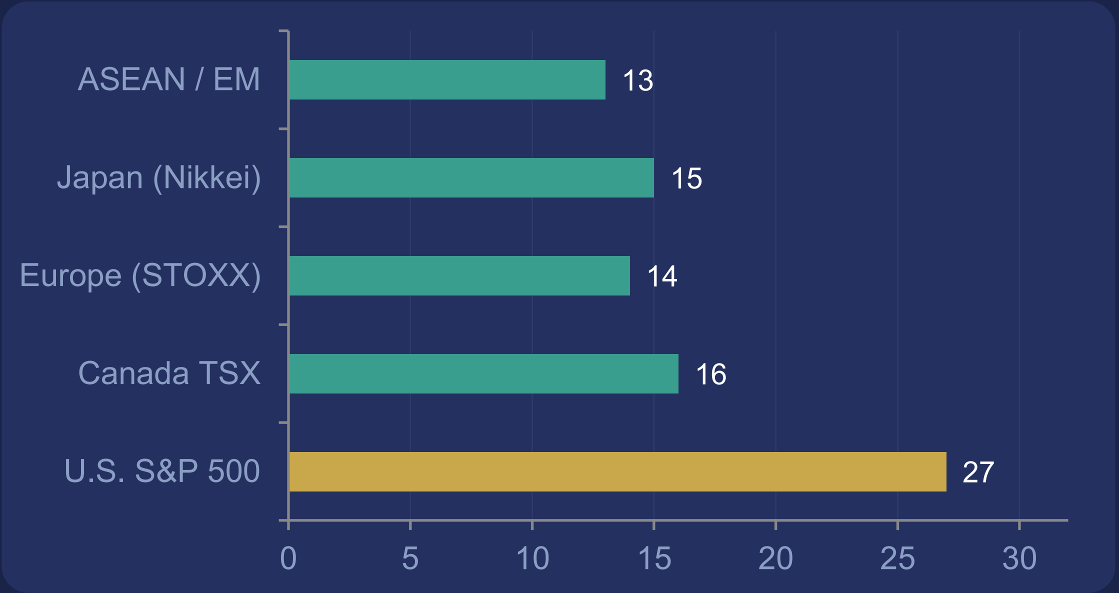
490 — **remaining companies**
make up only 65% of the index

⚠️ — **"Diversified" fund ≠**
truly diversified exposure

"Which are great businesses! But concentration is concentration."

The Rest of the World Is Cheaper

Capital chased U.S. tech -- leaving other markets attractively valued.



U.S. richly valued

AI concentration premium baked in

Europe / Japan / ASEAN

Not bad companies -- different capital flows

💡 Diversification opportunity

Or at minimum, a hedge on U.S. concentration risk

Approx. Price/Earnings -- indicative only, not investment advice

AI: The Elephant in Every Room

One of the most significant shifts in human history -- and it's not hype.

#1

The Printing Press

Broke the Church's monopoly on knowledge → triggered 200 years of upheaval, scientific revolution, and political transformation.

#2

Artificial Intelligence

Automating cognition itself -- the first time in human history that the mental work of analysis, writing, and decision-making is being mechanized.

"Not hype. A real platform change -- comparable in scale to the Industrial Revolution."

Why AI Is Different From the Internet

The internet moved information. AI moves cognition.

🌐 The Internet (1990s)

- Changed how we access information
- Made humans faster & better connected
- A lawyer still wrote the brief
- A doctor still read the scan
- → Cognitive work stayed human

Distribution engine

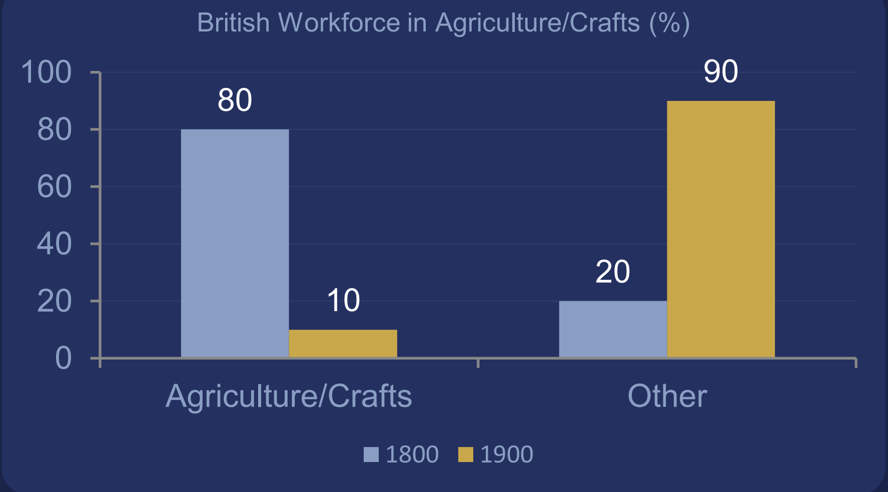
🤖 Artificial Intelligence (Now)

- Automates the actual thinking
- Writing, analysis, diagnosis, pattern recognition
- Sometimes better than humans
- Always faster than humans
- → First time cognition is automated

Decision engine -- genuinely new

The Industrial Revolution Parallel

Disruption first. Adaptation. Then extraordinary wealth.



😰 Disruption

Skilled workers displaced. Livelihoods destroyed in a generation. (The Luddites weren't wrong.)

⚙️ Adaptation

New industries, new skills. Society absorbs the shock over decades.

🏆 Prosperity

Life expectancy up. Infant mortality down. Unimaginably wealthier than before.

AI will almost certainly follow the same arc. The question is how long the adjustment takes.

What It Actually Means for Your Investments

Three practical implications -- each one actionable.

1 ⛏️ Infrastructure

Picks & Shovels

AI needs chips, data centers, power grids, and networks before any app is built.

Own the tracks, not just the train.

2 📈 Back the Adopters

Productivity Dividend

Companies using AI well: lower costs, higher margins, deeper competitive moats.

Laggards face higher costs, talent loss, and margin compression.

3 ⚖️ Watch the Price

The Cisco Lesson

Internet was real. Cisco was real. Price was insane. Stock fell 80% and took 20 years to recover.

AI is real. Price still matters.

Hold BOTH thoughts: AI is transformative -- and valuations still matter. Own the tracks. Back the adopters. Watch the price.

The World Is Rearranging Itself

From unipolar to multipolar. Free trade to fragmentation.

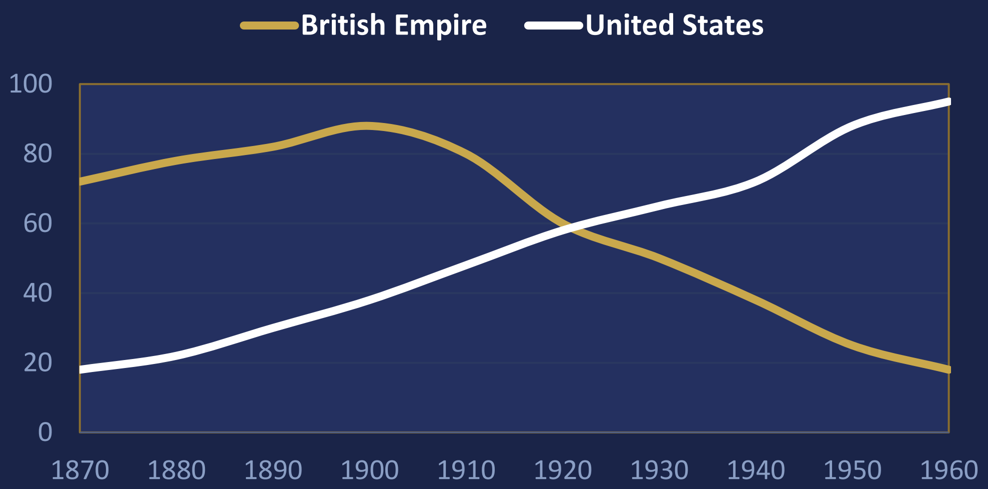
US	CN	IN
United States	**China**	**India**
Still dominant -- but contested	Rising -- facing its own headwinds	Massive growth opportunity

EU	🌎
Europe	**ASEAN**
Rebuilding defense & energy	Absorbing the manufacturing shift

"Not collapsing overnight. But shifting in ways not seen in 80 years." Diversification across geographies is no longer optional -- it's essential.

The Last Great Power Transition

Britain's arc down. America's arc up. It took 50 years -- and nobody planned it.



1900 Britain at peak
25% of world landmass. Sterling the global reserve currency. Royal Navy rules the seas.

1920s WWI bleeds the Empire
Enormous debt. Men and treasure gone. The U.S. becomes Britain's creditor.

1944 Bretton Woods
Dollar replaces sterling. America writes the new rules.

1956 Suez -- the moment it ends
U.S. orders Britain to stand down from Egypt. Britain complies. Transition complete.

No empire announced its decline. No challenger announced its ascent. It happened gradually, then suddenly. Sound familiar?

Who's Rising? The Genuinely Exciting Part.

The world reshuffling creates losers -- and real winners.

Southeast Asia

700M people. Early in their arc.

· Vietnam, Indonesia, Philippines, Thailand, Malaysia
· Manufacturing shifting rapidly out of China
· Vietnam: 6–7% annual GDP growth for two decades
· Indonesia: largest SE Asian economy, one of the fastest G20 growers
· Young workforces. East Asian playbook. These are not frontier gambles.

CA Canada

We dramatically undersell ourselves.

· World's largest reserves of oil, gas, potash, copper, nickel, uranium, fresh water
· Geography increasingly valuable as North American supply chains shorten
· America's largest trading partner and resource supplier
· Stable institutions, educated workforce, well-regulated financial system
· We think of ourselves as a middle power. We may be more than that.

The Portfolio Question

The world leading next isn't last era's world.

· SE Asia and Canada deserve real weight -- not token allocations
· Portfolio entirely in USD + U.S. earnings = more concentration than you think
· Regionalization rewards proximity to North American supply chains
· The places that will lead the next 20 years may not be obvious today
· Diversify now -- not after it's obvious.

Consider meaningful exposure to growth stories of rising economies.

The Real Risks -- Being Honest With You.

Geopolitical risk has always existed. Not predicting. Acknowledging.

🚥 Taiwan Strait

The tail risk I think about most.

Taiwan produces ~90% of the world's most advanced semiconductors -- the chips in your smartphone, your car, and every AI system. A conflict in the Taiwan Strait, even a naval blockade rather than a full invasion, would be more economically disruptive than anything since World War Two.

Not predicting it. Rational actors have enormous incentives to avoid it. But rational actors have disappointed us before.

🍂 Trade Fragmentation

More immediate. More certain.

The era of globalization -- where goods flowed freely and supply chains stretched across the world for maximum efficiency -- is giving way to something messier. Tariffs, trade blocs, 'friend-shoring.' Things cost more. Supply chains get shorter and more resilient -- but also more expensive.

A structural source of inflation that doesn't fully respond to rate hikes. You can raise rates -- but a 25% tariff still gets passed on.

There has never been a single moment in the history of financial markets free of geopolitical risk. Not one. The investors who built wealth weren't those who found the risk-free moment -- they built portfolios resilient enough to survive.

SECTION 5: THE RISE OF THE RETAIL INVESTOR

Regular People Discovered the Stock Market.

And it got weird -- and instructive.

🎮 The GameStop Story -- January 2021

- **World locked down.**
  Govt cheques. Commission-free apps. Reddit.
- **GameStop in decline.**
  Hedge funds bet billions it would fall.
- **Reddit’s feedback loop.**
  Everyone buys → hedge funds forced to buy too.
- **GameStop $20 → ~$500.**
  Melvin Capital loses 53%. Needs a bailout.
- **Regular people.**
  Real structural vulnerability — exploited ruthlessly.

💾 Late 1990s Parallel

- **Internet boom.**
  Say “internet strategy” → stock doubled overnight.
- **$100K days.**
  Accountants making $100K/day trading. Email = new tip network.
- **FOMO over fundamentals.**
  Nasdaq 400 → 5,000. Story > substance.
- **Crash.**
  Nasdaq −78%. Cisco −80% — 20 yrs to recover.

📻 The 1920s Parallel

Then: Radio tipsters

Now: TikTok influencers

Then: Margin loans

Now: Commission-free apps

Then: Dow 60 → 381 (1921–29)

Now: Meme stocks, 0DTE options

Then: Crash −89%

Now: ?

Their instincts weren't crazy. Their execution was, shall we say, extremely enthusiastic.

The 75–100 Year Pattern.

Every reshuffling has ended. The world that emerged was always more prosperous.

1840s–1870s Industrial Era	1890–1914 Peak Globalization	1930s–1940s The Transition	1944–2020s American Order	Today The Next Era
Britain peaks	Closest parallel to today	Depression + WWII + Bretton Woods	80 years -- now being stress-tested	Reshuffling underway

🔍 The 1890–1914 Parallel -- The Closest Historical Rhyme

- Peak globalization -- sounds familiar
- Technological revolution remaking the economy -- electricity/cars then, AI now
- Dominant empire past its prime -- Britain then, U.S. now
- Inequality at extremes generating political instability -- the Progressive Era then, today now

Even through WWI, the flu pandemic, the crash of 1929, and the Depression -- the investors who were diversified, owned real assets, and didn't panic ultimately came through.

Five Things History Reliably Predicts.

Read these slowly. They're worth sitting with.

1. **Volatility is the price of admission -- not a reason to leave.**
The discomfort is the mechanism that creates opportunity for patient investors to buy good things at good prices from nervous investors who sell too soon.

2. **Real assets outperform when the world is in flux.**
Land, infrastructure, commodities -- these hold their value better than purely financial claims when systems are under stress. A pipeline moves gas regardless of what politicians do.

3. **Geography matters more in a fragmenting world.**
For 30 years of globalization, where a company was headquartered barely mattered. That era is ending. Being on the right side of the emerging order matters enormously.

4. **Infrastructure beats story stocks in a new tech wave.**
Own the picks and shovels. The telecom infrastructure built during the dot-com boom runs the internet today. The story stocks of that era are largely gone.

5. **Staying in the game beats trying to time the exit.**
Every study on investor behavior reaches the same conclusion -- the average investor dramatically underperforms by getting scared out at the bottom and piling back in at the top.

Simple Principles. Consistently Applied.

Clear head. Thoughtful plan. Discipline to stay invested. That's the edge.

1

Own the World

True geographic diversification + real assets. Southeast Asia, Canada, EM -- not just 'a little international.'

2

Respect Geopolitics

Resilience over perfection. Position for the world that's emerging, not the one that just ended.

3

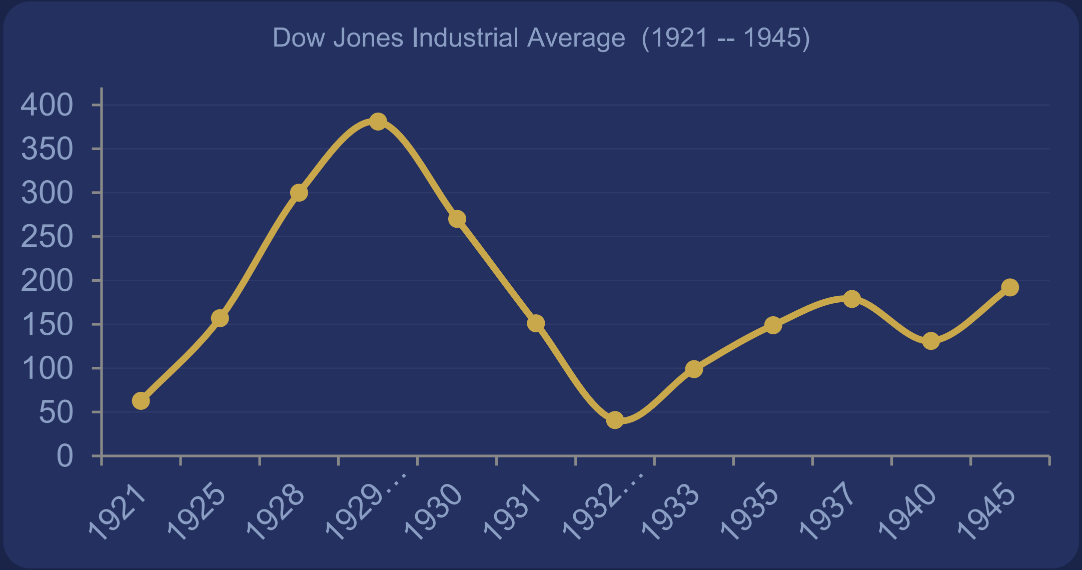
Stay in the Game

Compound growth is extraordinary -- the only thing that breaks it is panic-selling at the wrong moment.

"Walls of worry don't break bull markets -- they build them."

Spring of 1932.

The absolute darkest moment of the Great Depression.



–89 %

Peak to trough

$100,000 in 1929 became $11,000 by 1932. 9,000+ banks failed. Unemployment hit 25%.

41

Dow Jones bottom — July 1932

Breadlines. Capitalism itself was being questioned. Serious people saw no path forward.

192

Dow Jones by 1945

The investors who held on — or kept buying — made more money than almost anyone in history.

The stock prices had gone crazy. The underlying reality hadn't.

SECTION 9: THE PUNCHLINE

The Correct Response Is Not Panic.

It never has been. Not once in the entire history of financial markets.

Clear head. Thoughtful plan.

True diversification across geographies and asset classes. The patience to let compound growth work. The world is changing — it always has been.

Don't make the one catastrophic mistake.

Selling in a panic when headlines are at their most terrifying is the single action that ruins long-term outcomes. The moment of maximum fear is not the exit. It's the entry.

The right habits beat the right calls.

The investors who do best are almost never the ones who knew the most. They diversified. They stayed invested. They added when prices fell. They had a plan and kept it.

The world will be okay. In fact, if history is our guide, the world will be considerably better than okay.

Thank You.

Questions, thoughts, or things you'd like to explore further?

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