



Wealth Management
Dominion Securities

Newsletter

Fall 2026



Ian Fitz-Gerald
Senior Portfolio Manager &
Investment Advisor

Our Monthly Morning Coffee



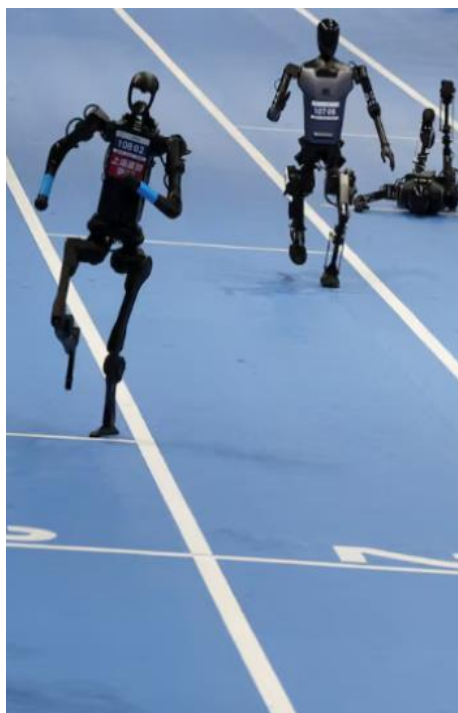
by crashing into a vertical mat at the finish line. One 'racer' burst into flames, prompting officials to race onto the track w/ fire extinguishers...

'Elbows Up'... (again)?!

So, I was hoping to sail into the fall season with a certain level of 'calm' in the Canadian markets, which have impressed in some sectors based on recent performance...

However, recent trade talks broke down between the U.S. and Canada, ending with President Donald Trump implementing a new 50% tariff on a broad range of Canadian exports, with plastic goods, electrical machinery, furniture, and wood products some of the most impacted areas.

RBC Economics has pointed out that much of what will determine the significance of these tariffs on Canada's economy is so far unknown. Prime Minister Mark



"Don't sell yourself short, Judge... you're a tremendous slouch."

...Chevy Chase as Ty Webb in 'Caddyshack'

Last month, China hosted the Robot Olympics in Beijing. From what I saw on YouTube, the biggest shock came from the track where a robot named Tiangong Ultra ran the 100-meter dash in 9.63 seconds, eclipsing the world record of 9.58, held by Usain Bolt. However, these robots were not programmed to stop on their own. Most 'participants' finished the race

Carney has pledged to support Canadian businesses hurt by the levies and has indeed responded with dollar-for-dollar retaliatory tariffs.

Overall, the affected products account for roughly 5% of U.S. imports from Canada, and under the Canada-United States-Mexico Agreement (CUSMA), more than 80% of Canadian goods continue to flow to the U.S. tariff-free. This suggests only a modest increase in the overall tariff burden, with Canada's average effective tariff rate rising from 3% to 6%, though the true increase is likely to be less as the tariffs cause less of the affected goods to be traded.

Regardless, it is still beyond my comprehension as to why Canada as its closest ally continues to receive worse economic treatment than either Russia & China, two immense adversaries!

For those of you looking for higher bond rates in Canada at this stage, do not hold your breath... I do not expect the Bank of Canada to raise rates any time soon!

According to 'ProPublica', a certain Russian oligarch named Umar Kremlev was not only present but helped to fund the Trump family

wedding weekend at a private island in the Bahamas, using a Dubai entity to pay hundreds of thousands of dollars for the festivities. According to 'Forbes', Mr. Kremlev allegedly has ties to Putin personally, and was awarded the 'Order of Friendship' honor by Mr Putin himself...

I wondered why President Trump said he was 'too busy' to attend his son's wedding this past summer, stating he was too busy & it was too far to travel... I guess optics can be a powerful thing sometimes...!

Estate Planning & Second Marriages...

For those of you who might have parents who have found a new partner after losing their matrimonial 'soul mate', here is a story worth noting...

An Ontario Court recently ordered a widower to vacate the condo he shared with his common-law wife who had recently passed. The deceased fully owned the condo which became part of her estate. The estate's value was entirely left to her only child, while the common-law partner was not mentioned anywhere in the Will. Well, the surviving partner dug his heels in & refused to move

out. He also filed an application to be granted support for dependents who aren't provided for in any Will.

In this case, the Ontario courts granted the application stating that he was entitled to financial support from the estate. In this case, the court ordered the estate begin paying him \$1300 per month for living expenses which increases to \$3300 a month once he finds new housing. This \$3300/month payment from the estate would remain in force for the rest of the common law partners life...if not, the estate trustee would become liable.

To make matters worse, the daughter did not have a healthy relationship whatsoever with mom's new partner... which would assumingly make this arrangement much less pleasurable.

This is a story that may act as a harsh reminder to ensure that not only your estate planning is looked after, but possibly also for the generation below.

We've also got some excellent resources @ Royal Trust on this end, so please do not hesitate to call if you have questions or comments here.

It has been a while since I've offered up any ideas as possible viewing



Wealth Management
Dominion Securities

selections. Given the weather these last few months, it's hard to justify staying indoors. Regardless, here's a few names that my household has recently managed to conquer:

- **'Gone'** – A BritBox special, this 6-episode crime thriller features actor David Morrissey (you'll recognize him!) as a snooty private school headmaster who reports his wife missing, and then automatically becomes the #1 suspect in her disappearance. Based on a non-fiction crime book called 'To Hunt a Killer', it is intense & worth checking out.
- **'Maximum Pleasure Guaranteed'** – This title is deceiving, as it is not what the underlying story is about. The focus is on a very likeable, divorced mom who falls down a 'rabbit hole' of murder, blackmail, and youth soccer... all while trying to maintain custody of her only daughter. It got better with each episode. Part thriller, part comedy... but worth a shot!

- **'House of the Dragon'** (Season 3) - This series was initially doomed out the gates, following the unbelievable success behind sequel 'Game of Thrones'. Yes, this series is indeed a GOT prequel and takes place 200 years prior. Season 3 is worth watching, with some great acting & amazing cinematography.
- **'Tires'** (Netflix) – This is not... I repeat, NOT!... suitable for family viewing. The main character Will (played by Steve Gerben) inherits his dad's tire shop & attempts to turn the business around, despite daily torturing from his cousin Shane (Shane Gillis). Despite its share of abundance of both profanity & political incorrectness, I still really enjoyed it (this testimonial may cost me a client or two).

Watch the Bond Market!!!

Investors beware...

The bond market has always been touted as the home of 'smart money' - for every dollar that is traded in the equity market, there are thousands of dollars that trade hands in bonds. With this amount of influence, it is very much worth keeping an eye on things here...

Even though some sectors in this stock market seems impenetrable, there could be danger on the horizon. What we've seen recently is that yields (interest rates) on longer-maturity bonds have surged around the world. The 30-year US Treasury bond yield is at the highest since 2007. Government yields have generally risen across global bond curves, but the pressure on longer-maturity debt indicates that fiscal health concerns have returned to the forefront of bondholders' minds.

In the last year, there has been a record pace to debt flooding the market, especially from tech firms. Many of these big names that retail DIY investors are loading up & will continue to come to the market and borrow to build and finance future growth & operations. Higher rates simply mean that borrowing costs will get more expensive, as corporate plans to build out these massive AI sites and develop power plants to



Wealth Management
Dominion Securities

fuel these efforts will cost trillions of dollars.

With client protection in mind within this office, I do my best to stay with the large hyper-scalers (i.e. Apple, Alphabet) ... the names with 'deep pockets' where borrowing is not instrumental to their survival.

Last fall, I saw two long-time clients transfer their accounts for the primary reason that my performance was not compatible to their own personal account performance, as I've refused to buy some of these 'high beta' AI-driven names like Core Weave and Palantir. It is these firms that desperately need to borrow... my sense is that if the US 10-year bond gets close to that 5% mark, we could see an immense amount of volatility through the fall through some sectors including names like these... so please be careful.

If you want to chat further, do not hesitate to call my office.

The Dreaded RRIF Withdrawal...!

As is the case with many of you, I still sort of detest being told what to do, even more so now than when I was younger...

On this same theme, numerous clients we deal with today are being told by our federal government to withdraw funds from their own registered portfolios & pay taxes on those funds... even though many of them do not actually need the cash, due to 'sound planning'!

We frequently hear from long-time clients who are frustrated—even irate—and end up lambasting the Canadian government when they discover how much tax they'll owe annually during retirement. While running financial projections for clients, what surprises us is that instead of focusing solely on whether they'll have enough wealth to retire, many are deeply concerned about the tax implications of drawing from various income streams (CPP, OAS, employee pensions, RRSPs, etc.).

One significant pain point is the mandatory RRIF withdrawal, which begins at age 72. Many disciplined savers—who have contributed consistently to RRSPs throughout their careers—are dismayed to learn that these withdrawals are taxed at their marginal rate. This often feels contrary to the tax-deferred benefits of an RRSP.

Currently, the Canadian RRIF (Registered Retirement Income Fund)

operates as follows: the minimum yearly withdrawal rate is based on two factors—your age and the value of your account on January 1st of that year. At age 72, you must withdraw a minimum of 5.4% of your account value. This percentage increases annually until you turn 95, when it reaches 20% and remains fixed thereafter.

With strategic planning, we can help clients navigate these challenges. We examine the drop in taxable income when employment ends and explore strategies where one source of pension income is taken before another. We also look at the timing of various income streams to optimize your overall tax position.

Here's a common pattern we've observed:

- Between ages 60–70, taxable income drops significantly when employment ends.
- Canada Pension Plan (CPP) and Old Age Security (OAS) are typically claimed at age 65 (though both can be deferred).
- Clients with dividend-oriented portfolios report taxable income that is "grossed up," which can push them into higher marginal tax brackets.



Wealth Management
Dominion Securities

- At age 72, mandatory RRIF withdrawals can increase your marginal tax bracket by 10% or more.

Given this scenario, we've worked with clients and helped them consider the following strategies:

1. Between ages 60–70 during early retirement, make voluntary lumpsum RRSP withdrawals and take this income during a period when your tax liability is relatively low. This allows you to "fill up" lower tax brackets before mandatory RRIFs begin.
2. This strategy also lowers your RRIF account balance going forward, which means your annual minimum withdrawal will be lower by age 72—and in subsequent years.
3. Consider deferring either your Old Age Security, CPP, or both while you are employing this strategy. This further reduces your taxable income during this planning window and increases your future benefit amounts.
4. Look at re-allocating a portion of your taxable portfolio. Keep in mind that dividends are taxed each year, while capital gains are only taxed when realized. A shift to lower-yielding

common shares (such as Loblaws), where most of the gain is in growth rather than income, will work to lower your taxable income annually.

If this discussion leaves you with questions, please contact Maria and Sujeesh. They will be happy to walk you through tax planning scenarios that pertain directly to your situation.

Constellation Software (CSU)

This is a stock that many of you might recognize from your last quarterly RBC DS statement...

The firm itself is somewhat of a serial acquirer which allocates its capital in a 'Berkshire Hathaway' style. It targets certain types of software companies (i.e., geared for golf courses, transit systems, etc.), essentially targets companies believed to be under-valued, and CSU would typically hold it forever after 'cleaning' the balance sheets. CSU can own hundreds of different businesses at one time, hence a fully diversified revenue stream...

Recently, the shares have traded lower as these firms have been caught inside the 'AI vs. Software'

sentiment battle. In their last earnings report, they produced a mixed quarter...

Revenue growth was solid at (+17%) but was offset by a miss in organic growth. A drop in earnings however appears to be driven in part by lower margins from recently acquired businesses. CSU noted that a few of the more recent acquisitions came with negative margins and in turn, should result in a temporary drag.

Bigger picture, capital deployment remains healthy and is tracking to another record year. I will continue to own this & add upon weakness; CSU continues to trade at a relatively inexpensive valuation and is a 2.5% weight in the RBC Canadian Focus List.

(for the record, the former President & founder Mark Leonard is a Toronto 'Beacher' and owns a massive property spitting distance from this office!)

The Topic of Advisory Fees

As an industry, we are coming to a point in time where all investment fees will be fully transparent to you the client... I personally feel this is long overdue as more transparency is



Wealth Management
Dominion Securities

only healthy for this industry and for absolute client trust.

What will however be prompted by this added 'disclosure' from financial institutions is the argument that advisor fees are a waste of money and that any person should be able to handle his/her own financial affairs... okay?!!

These notes were taken from a fellow named Greg Keith, an author & Canadian certified financial planner I've followed via LinkedIn.

According to his post, all you must do is follow these steps:

- Pick the right account for every dollar saved so you are not overtaxed.
- Stay invested when the market collapses.
- Avoid looking at insurance to prevent tax/income gaps... because insurance is 'evil'.
- Know when to change an investment approach.
- Work out how much retirement income to withdraw to avoid any OAS 'claw back'.
- Avoid making tax mistakes on withdrawals that cost retirees thousands (\$)

- Time your CPP & OAS & pension to maximize each source.
- Stay involved with professional planning & legal professionals.
- Stay updated on markets, taxes, benefits and registered accounts.
- Build the right portfolio; rebalance at the right time.

This list above may sound simple really but is tough to do each & every year.

** True story - my dad was a medical doctor but also a DIY investor until I took over things only a few years before he passed away. After a quick 'audit' of his portfolio, I learned that he had accepted some very bad advice from a local bank employee as well as a local mechanic (?) and despite his best intentions, he'd done more harm than good managing his own affairs...

So, after years of verbally chastising the sport, I've started golfing. I've been lucky to have a couple of groups of friends who have acquiesced to allow a beginner into their foursome on a regular basis. Some of these dudes are pretty good and are at least 40-50 rounds deep into the

summer. I'm still trying to assess if I like the sport to play that often (not yet!) ... there is still part of me that still feels golf is seven holes and two hours too long... 😊

I can see how people say that you can use the game of golf as a microcosm for the way or manner one might approach other tasks in their life. For me, the main reason for my newfound enjoyment in this sport is to allow a greater amount of humility into my life... I think it's working.

Lastly, a very good colleague of mine visited NYC this summer for a couple of baseball games. He said the most impactful part of his trip was nowhere near Yankee Stadium. He said it was bringing his children to visit the 9/11 Memorial & Museum. Part of the exhibit apparently documents part of the human experience by playing some of the audio of actual telephone calls made to loved ones that day. Despite not being alive, both his children (ages 7 & 9) left weeping, as did he...

Sadly, I am not sure we are better people in a better world due to this awful event, but I will always hold onto the following two words with hope that good will prevail... never again.



Wealth Management
Dominion Securities

That's it from me...

Ian



Wealth Management
Dominion Securities

This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The strategies and advice in this report are provided for general guidance. Readers should consult their own Investment Advisor when planning to implement a strategy. Interest rates, market conditions, special offers, tax rulings, and other investment factors are subject to change. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein. RBC Dominion Securities Inc.* and Royal Bank of Canada are separate corporate entities which are affiliated. *Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. is a member company of RBC Wealth Management, a business segment of Royal Bank of Canada. ® / TM Trademark(s) of Royal Bank of Canada. Used under license. © 2026 RBC Dominion Securities Inc. All rights reserved. 22_00000_XXX_000