RBC Dominion Securities Inc.

The Stanton Report

Summer 2026

Views and opinions for the friends and clients of Investment Advisor Richard Stanton

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If you know anyone who would like to receive a copy of this newsletter or be added to our mailing list, please contact Tracy Dykens at (250) 847-6680. Please contact Tracy if you would like secure internet access to your accounts. Use our toll-free number from anywhere in North America.

A Word from Richard & Tracy

Summer has arrived, and as we move into the second half of 2026, we hope you're finding time to enjoy the warm weather and reconnect with family and friends.

Life continues to move quickly for our girls. Olivia is progressing through her Master's in Clinical Vision Science at Dalhousie University and enjoying life in Halifax with her fiancé and their cat, Luna.

Jenelle remains as active as ever — balancing university, marathon training, and her remote work with All West Glass. Her drive and energy continue to impress us.

Tracy's kids have been keeping busy this year as well. Kiera recently accepted a position as a paramedic and is excited to begin this new chapter in her career. It has been an especially memorable year for her, as she also got engaged.

Mattias successfully completed his first year of university and is home for the summer, where he's working as a security guard and enjoying a well-earned break before heading back for his second year.

If your travels take you through Smithers this summer, the Fall Fair runs from August 27–30, and I'll be there. It's always a wonderful community event with something for everyone.

If you have questions about your portfolio or would like to revisit your investment goals for the year ahead, Tracy is always happy to arrange a time to connect.

Wishing you a wonderful summer.

Warm regards,
Richard & Tracy

Here is what has happened in the first half of 2026;

- **S&P/TSX Composite Index 11.2%**
- **Dow Jones Industrial Average 8.9%**
- **MSCI World Index 9.9%**
- **Crude Oil 21.2%**
- **Gold -7.2%**
- **Silver -18.2%**
- **Copper 7.2%**

RBC Wealth Management
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Staying the course

Strategies to help you maintain confidence through all types of markets

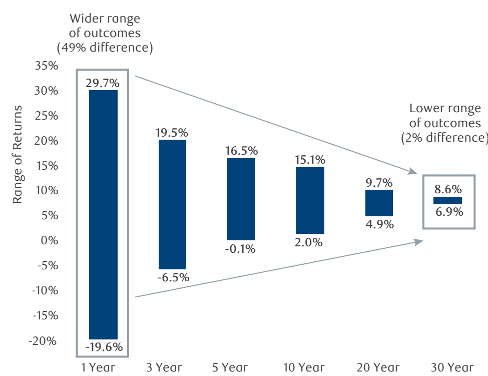
Daily market fluctuations highlight why a combination of discipline and perspective is key to reaching your investment goals. One way to achieve this fine balance is by having a plan and sticking to it through all types of market conditions. This may sound easy, but investors have been put to the test in recent years. Veering off course from a carefully thought-out plan can turn a temporary loss of confidence into a realized loss on an investment portfolio.

Here are five strategies that can help you minimize the impact of market fluctuations and help you feel confident about reaching your long-term goals:

1. Use time to your advantage

Investors who maintain perspective and stay mindful of their investment time horizon have a better chance of reaching their investment goals than those who react to short-term market fluctuations. Staying invested and trying not to “enter and exit” the markets when volatility increases can help reduce fluctuations over the long term. The longer an investment is held in a portfolio, the less chance it has of incurring a negative rate of return. This is because fluctuations in value tend to smooth out over time as the impact of market volatility diminishes. Moreover, years of strong equity markets can outweigh periods of decline, resulting in long-term returns that outperform other asset classes.

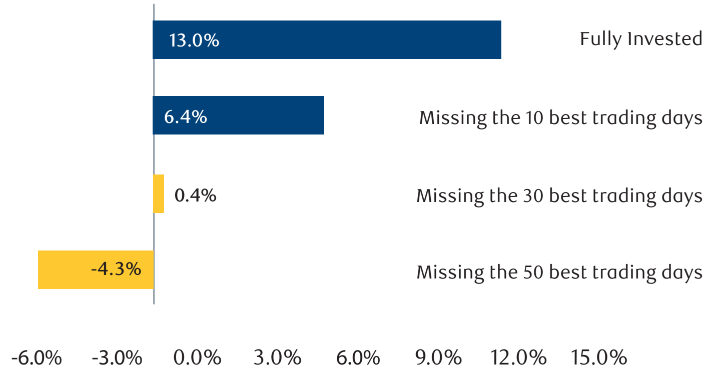
The volatility of a diversified portfolio decreases over time



* Rolling 1-, 3-, 5-, 10-, 20- and 30-year average annual returns from January 1989 to January 31, 2022. Diversified Portfolio represented by 2% Cash, 43% Fixed Income, 19% Canadian Equities, 20% U.S. Equities and 16% International Equities. Cash represented by FTSE Canada 30 Day TBill Index; Fixed Income represented by FTSE Canada Universe Bond Index; Canadian Equities represented by S&P/TSX Composite Total Return Index; U.S. Equities represented by S&P 500 Total Return Index; International Equities represented by MSCI EAFE Net of Taxes Total Return Index. Source: Bloomberg, RBC Global Asset Management.

Why it’s best to stay invested

Missing just the 10 best days in the market over the past 10 years would have reduced returns significantly.



Based on the annualized returns in US dollars of the S&P 500 Total Return Index for 10 years, ending December 31, 2023. Source: Morningstar, RBC Global Asset Management.

History shows that a patient investor will often be the one rewarded when markets return to an upward path. As market volatility increases, investors have a natural tendency to want to move into safer investments, hoping to avoid further losses. However, selling at the wrong time and missing just a few days of a market recovery could have a significant long-term impact on your portfolio.

3. Diversify your portfolio

Diversification, long considered the golden rule of investing, remains key to reducing portfolio volatility and risk. Diversification means

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including a combination of investments from different asset classes in your portfolio. This can include cash, fixed income and equities, as well as different industry sectors, geographic areas and investment styles. Financial markets do not move in concert with one another and individual asset classes will perform differently in any given year. Diversification can help reduce the impact of market volatility on your overall portfolio by combining assets that react differently to changing market conditions. As the chart shows, it can be difficult to predict which asset classes will lead the market each year and which ones will underperform.

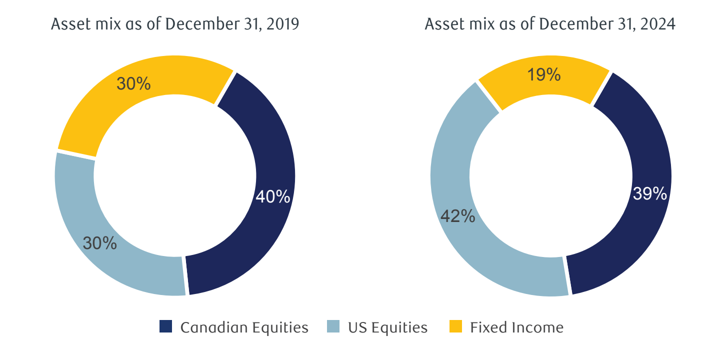
A strong case for diversifying your investment portfolio

2019	2020	2021	2022	2023	2024
US Equities 25.3%	US Equities 16.5%	US Equities 27.5%	Cash 1.7%	US Equities 23.3%	US Equities 36.2%
CDN Equities 22.9%	EM Equities 16.4%	CDN Equities 25.1%	CDN Equities −5.8%	INTL Equities 15.4%	CDN Equities 21.6%
INTL Equities 16.2%	Balanced Portfolio 10.0%	Balanced Portfolio 11.0%	INTL Equities −8.5%	US HY Bonds 13.5%	EM Equities 17.1%
Balanced Portfolio 15.5%	CDN Bonds 8.7%	INTL Equities 10.2%	Balanced Portfolio −10.4%	Balanced Portfolio 12.9%	Balanced Portfolio 16.8%
US HY Bonds 14.4%	US HY Bonds 6.2%	US HY Bonds 5.4%	US HY Bonds −11.2%	CDN Equities 11.8%	INTL Equities 13.1%
EM Equities 12.8%	INTL Equities 6.1%	Cash 0.1%	CDN Bonds −11.7%	EM Equities 7.2%	US HY Bonds 8.2%
CDN Bonds 6.9%	Global Bonds 6.0%	Global Bonds −2.3%	US Equities −12.4%	CDN Bonds 6.7%	Cash 4.7%
Global Bonds 6.8%	CDN Equities 5.6%	CDN Bonds −2.5%	Global Bonds −13.2%	Global Bonds 5.6%	CDN Bonds 4.2%
Cash 1.7%	Cash 0.6%	EM Equities −3.4%	EM Equities −14.5%	Cash 4.8%	Global Bonds 1.4%

All returns are total returns in Canadian dollars, unless otherwise stated.
Source: Bloomberg. RBC Global Asset Management.

Market fluctuations can often cause a shift in how your assets are divided in your portfolio (also known as asset mix drift), leading to a very different asset mix — and investment experience — than originally intended. Rebalancing is one of the more effective ways to stay on track to reach your investment objectives. Not only does it help keep your portfolio aligned with your investment goals, it also gives you the opportunity to lock in gains from one asset class and redeploy them to other asset classes that have become relatively inexpensive. Investment portfolios that are regularly rebalanced and adjusted tactically can take advantage of shorter-term opportunities without losing sight of the long-term strategic allocation.

The impact of portfolio drift



Canadian equities: S&P/TSX Composite Index. Fixed income: FTSE Canada Universe Bond Index - Total Return. U.S. equities: S&P 500 Index. All indicies are in Canadian dollars. Source: Bloomberg. RBC Global Asset Management.

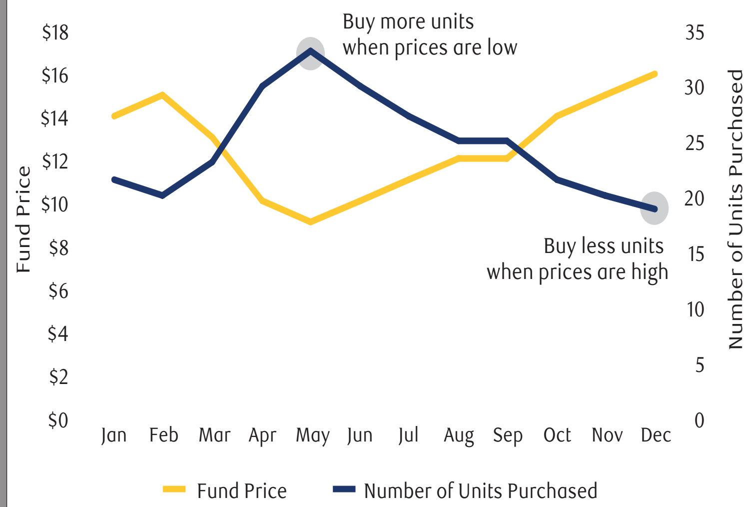
5. Invest regularly

Investing a fixed amount on a regular basis ensures that your investment strategy remains a priority through all types of market conditions. By contributing smaller amounts of money to an investment plan on an ongoing basis (bi-weekly, monthly), regular investing acts as an anchor to help you maintain discipline when market conditions become volatile.

Regular investing also provides the opportunity to help smooth out returns over time, ultimately reducing overall portfolio volatility. This is achieved because investing a fixed dollar amount on a regular basis gives you a chance to buy more investment units when prices are low and fewer units when prices are high, thereby producing a more level investing experience over the long term.

Investing regularly in a fluctuating market

$300/month for 12 months



Source: RBC Global Asset Management.

Where do you go from here?

These five strategies can help you stay focused and feel confident about reaching your long-term investment goals. Talk to us about how these strategies may help ensure you stay the course and maintain confidence through all types of markets.

Report Card

Positive Themes

- Energy shock should be temporary
- Ceasefire holding in Middle East; deal may be imminent
- Global economy proving resilient
- We maintain above-consensus growth forecasts
- Strong risk assets
- Global trade growth defies tariffs
- Chinese housing stabilizing?

Negative Themes

- Strait of Hormuz remains significantly blocked
- Inflation rising and broadening
- Central banks shift from cutting to eventual hikes?
- Lagged damage from blockade
- Concerns about memory chip costs
- Pandemic risk?

Interesting

- AI in spotlight
- Developed Asia and Europe less exposed to energy shock than commonly imagined
- Private credit spreads ebbing
- Super El Niño in ‘26—‘27?

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