Wealth Management
Dominion Securities

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2026 Portfolio Recommendations:

The investment process for the portfolio management of the CIPP reserve fund in 2026 has been to focus on the preservation of capital with the goal of outpacing inflation. We continue to ladder out the fixed income portion of the portfolio over the next number of years, taking advantage of current interest yields. This approach provided both capital preservation with enhanced fixed income yields.

Over the past year, Canada's interest rates have continued their downward trend from late 2023 through 2026. After spending much of 2023 with high interest rates to combat inflation, the Bank of Canada began cutting rates in late 2023 once inflation started cooling toward its target of 2% to 2.5%. Throughout 2024 and into 2026, rates have fallen steadily, which boosted equity returns as the headwinds of high interest rates turned into tailwinds. However, there remains some caution in the outlook. RBC continues to have concerns around slow economic growth in Canada over the coming year. The impasse of trade negotiations and trade tariffs being imposed by both US and Canada is a concern for Canada. Higher energy prices and the tensions in the Middle East are beginning to impact overall inflation. While lower rates have provided support to financial markets, the broader economic environment remains somewhat fragile with growth concerns and ongoing global tensions.

The management of the CIPP reserve fund over the 12 months beginning October 1st, 2025, and ending Sept 30th, 2026, has been consistent. Fixed income that matured was laddered out over the next 3 years generally and we have increased the weight to Principal Protected Notes in the portfolio. These notes are considered fixed income.

The 1-year performance for the reserve fund was positive 6.29% to September 30th, 2026.

Oct 2025 – $226,000 to GIC's laddered out 3 years.
Dec 2025 – Redemption of a Callable principal Protected Note – paid 6.5%. Proceeds to two similar Principal Protected Notes
Apr 2026 – $300,000 GIC's Laddered out as well as $100,000 to two Principal Protected Notes.
July 2026 - $55,000 GIC laddered out 3 years and $50,000 to a Principal Protected Note

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CIPP's Current Asset Allocation vs. Investment Policy:
Fixed Income Percentage: 59%. Policy target = 50%, minimum = 0%, Max = $100,000 less than 65%.
Cash and Cash Equivalents: 30%. Policy targets = 15%, minimum $100,000, Max 100%.
Equity Percentage: 11%, Policy Target 35%, min = 0%, max = 45%.
Canadian equity is 10% and US equity is 1%.

Equity Exposure is expressed through low-cost Vanguard and iShares ETF's.
Fixed income is expressed primarily through laddered GIC's that are fully insured by the Canadian Deposit Insurance Corporation (CDIC) and 100% Principal Protected Notes rated Senior unsecured debt with Royal Bank and Bank of Montreal.
Cash and cash equivalents are expressed through a High Interest Savings account, GIC's and bonds that mature within a 1-year period

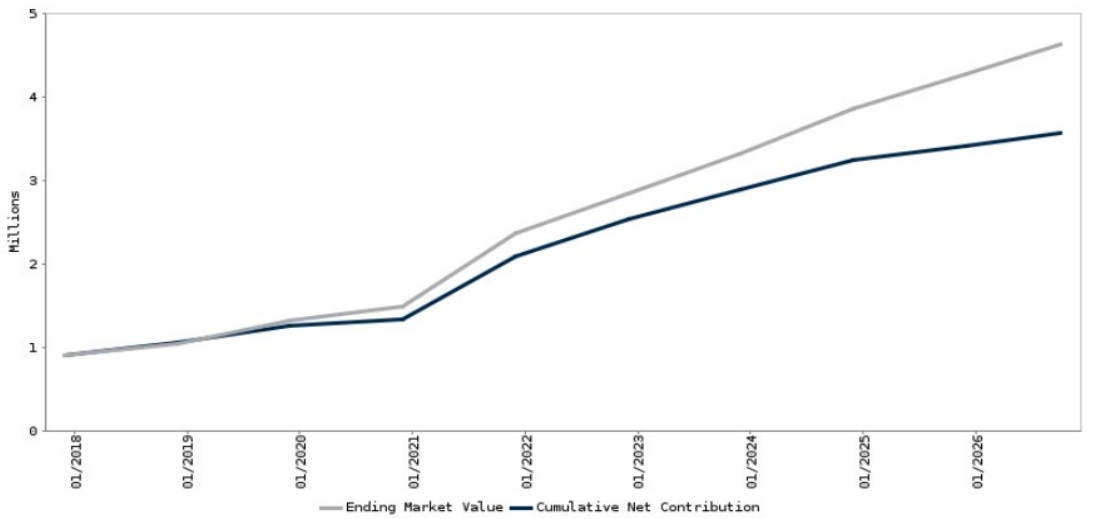
Portfolio Management Costs:
The overall portfolio management costs for 2026 represents approximately 0.15% of the portfolio's value. The investment policy sets a ceiling of 1.1% on how much our team charges the reserve fund for management. The lower fee reflects the purchases of short-term money market, GIC's and fixed income.
There is a compensation within the Principal Protected Note structure, which is not charged to the client, but rather built into the structure of the notes.

Main Portfolio Objectives
Preserve CIPP's Capital and Purchasing power vs. inflation.
Grow money as best as possible within the constraints of the investment policy.

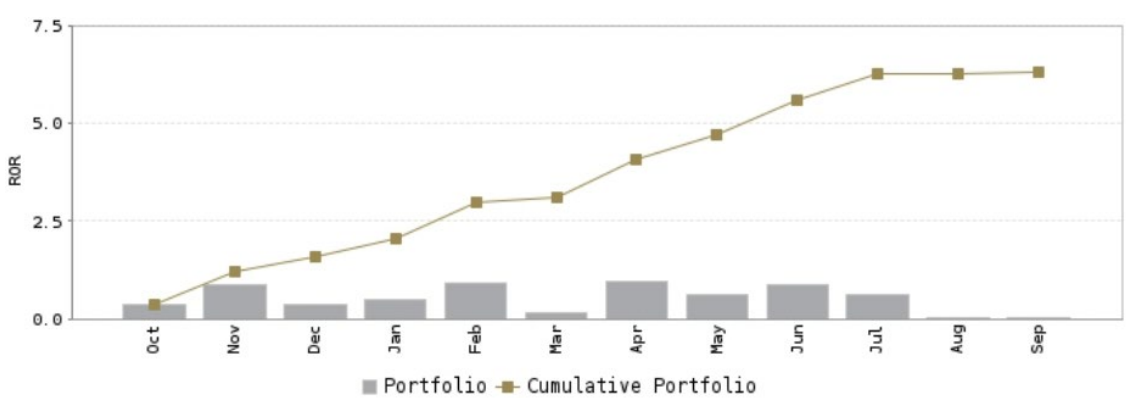
Having generated a positive 6.29% for 1 year ending Sept 2026, we continue to feel we have achieved the main portfolio objectives and remain focused on our core objectives for 2027.

Peter Chisholm | Investment Advisor | Chisholm and Henry Wealth Management Group | RBC Dominion Securities Inc.

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Year	Period Ending	Beginning Market Value	Invested Capital	Net Investment Return	Ending Market Value	ROR (TW)
2017	Dec	-	896,286.77	1,397.98	897,684.75	0.30%
2018	Dec	897,684.75	150,000.00	(16,737.51)	1,030,947.24	-1.40%
2019	Dec	1,030,947.24	200,000.00	87,299.20	1,318,246.44	8.03%
2020	Dec	1,318,246.44	90,000.00	72,127.76	1,480,374.20	5.15%
2021	Dec	1,480,374.20	750,000.00	131,690.97	2,362,065.17	7.07%
2022	Dec	2,362,065.17	450,000.00	30,028.05	2,842,093.22	1.10%
2023	Dec	2,842,093.22	350,000.00	124,015.01	3,316,108.23	4.10%
2024	Dec	3,316,108.23	350,000.00	193,366.20	3,859,474.43	5.47%
2025	Dec	3,859,474.43	175,000.00	241,755.08	4,276,229.51	6.06%
2026	Oct	4,276,229.51	150,000.00	198,069.63	4,624,299.14	4.56%
Total			3,561,286.77	1,063,012.37		



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	1 Year
Total	0.34%	0.86%	0.36%	0.46%	0.90%	0.13%	0.96%	0.60%	0.84%	0.63%	0.01%	0.03%	6.29%

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