

## Market volatility

# Asset allocation remains the most important aspect of portfolio management









Deciding where to invest can be daunting; last year's winner might be next year's loser. That's why a balanced approach, one that invests across many sectors and geographies, makes sense.

By diversifying your portfolio across different asset classes, you can achieve greater consistency in returns, and ultimately protect yourself against market volatility.

A diversified portfolio can help reduce volatility

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Best performers	40.7%	23.5%	21.4%	24.8%	28.3%	4.0%	24.8%	18.5%	27.1%	-5.6%	24.3%	35.9%	32.0%
	31.0%	9.8%	21.4%	7.3%	17.0%	3.1%	21.7%	16.2%	25.7%	-8.1%	15.0%	21.8%	28.0%
	11.5%	9.7%	3.5%	7.3%	14.3%	1.4%	16.2%	8.7%	10.3%	-8.4%	11.6%	17.9%	21.9%
	4.3%	8.8%	2.4%	5.9%	13.7%	-0.8%	12.9%	7.5%	-1.6%	-10.7%	8.5%	14.7%	16.2%
Worst performers	0.9%	7.0%	1.2%	5.0%	9.2%	-3.4%	9.5%	6.0%	-1.6%	-11.7%	7.3%	14.5%	9.2%
	-1.2%	6.8%	1.1%	2.5%	3.1%	-5.9%	8.3%	5.9%	-1.7%	-13.4%	6.9%	13.3%	5.4%
	-1.3%	4.2%	-8.6%	1.7%	2.6%	-6.9%	8.1%	5.3%	-2.5%	-13.9%	6.7%	4.2%	2.2%
	-4.3%	-1.9%	-10.4%	-2.4%	2.5%	-9.3%	6.9%	4.7%	-3.1%	-15.0%	4.7%	0.3%	2.6%

 Emerging Market Equities	 Canadian Equities	 International Developed Market Equities	 Canadian Fixed Income
 US Equities	 Emerging Market Fixed Income (Local currency)	 Developed ex-US Aggregate Bond	 US Fixed Income

Source: Morningstar Direct, as of December 31, 2025. All returns calendar annual returns in CAD. Canadian Equities: Solactive Canada Broad Market TR CAD, U.S. Equities: Solactive US Large Cap TR CAD, International Developed Market Equities: Solactive GBS DM ex NA L&M C TR CAD, Canadian Fixed Income: FTSE Canada Universe Bond, U.S. Fixed Income: Bloomberg US Agg Float Adj TR Hedged CAD, Developed ex-U.S. Aggregate Bond: Bloomberg Gbl Agg xUSD 10% IC TR Hdg USD, EM local currency bonds: JPM GBI-EM Global Core TR USD. Emerging Market Equities: MSCI EM GR CAD.

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