



Bubbles, Bubbles, Bubbles and what really matters.

Almost daily I read or listen about a bubble in the stock market. Seems like this word has replaced “tariff” and I’m thankful for that. The media will seem to run with something until it’s replaced by something else. Are we currently in a bubble? I’ve said before it’s not what we see coming, that is normally the issue it’s what we don’t see coming. Parts of the market are expensive using traditional metrics but not everything. The hype around Artificial Intelligence (AI) has driven many of the technology companies to expensive valuations that may or may not be justified. The future will provide the answer. AI is transforming how we do many tasks, and I can see its many uses improving our lives. There will be many pros and cons. The exuberance around the space feels similar to many ones in the past. Will this time be different? I don’t know.

What I do know is that our portfolios are a collection of solid businesses that are currently generating profits. Most more than the year before and the year before that. When investors talk about the markets, they often focus on interest rates, inflation or economic growth. Beneath all the headlines, one factor that consistently drives long-term stock performance is corporate earnings.

Earnings: The Engine of Share Prices

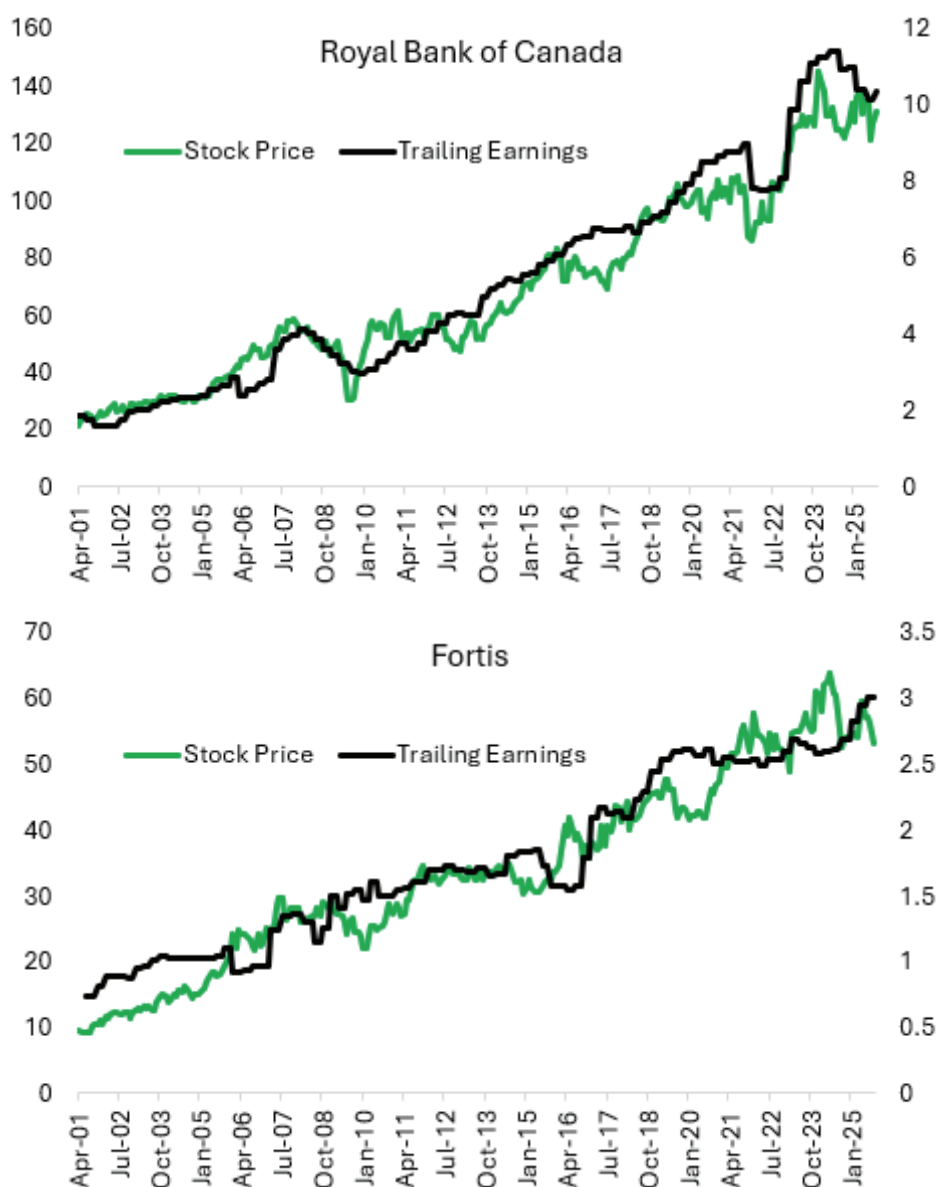
At their core, earnings represent a company’s profits – what’s left after paying expenses, taxes and interest. Over time, rising earnings tend to lift share prices because they signal that a business is growing and generating more value for shareholders.

Earnings matter because they’re the clearest reflection of a company’s ability to create value. In the short run, markets will react to headlines, but overtime, profits drive performance. I believe that staying focused on quality business with repeatable earnings power is one of the most reliable paths to long-term investment success.

There are many businesses that currently don’t have earnings that are trading based on what might happen in the future. We prefer to own companies that have sustainable earnings now versus the expectation for them in the future. This is what keeps us confident in our process through market ups, downs or even a bubble.



On the following charts you'll see 2 examples of our portfolio holdings Royal Bank and Fortis. Although never in a straight line it's clear how the share price line tends to follow the earnings of the business.



We continue to favor dividends as they tend to be a sign of a financially healthy and stable business. Many of our holdings recently increased their dividends with some examples below:

Company	Recent % Dividend Increase	5 Year % Cumulative Increase
Sun Life Financial Inc.	4.55%	56.36%
Fortis Inc.	4.07%	28.80%
Suncor Energy Inc.	5.00%	74.71%

*From Factset.com on Nov. 10th, 2025

I thought I would share 3 of your portfolio holdings and why we like them for your interest.

SLF

Sun Life Financial Inc. (SLF), based in Toronto, is a leading life insurance company with operations in Canada, the U.S., and Asia. The company is engaged in providing asset management, wealth, insurance, and health solutions to individual and institutional clients. It has approximately 67,000 employees, 85 million clients, and \$1.55 trillion assets under management

Sun Life Financial Inc. has a leading market position in Canada, and its domestic returns have been generally better than other markets. Sun Life generates about 40% of its earnings from the asset and wealth management segment, which is less risky than its already defensive insurance business. Insurance companies generate a steady and growing income on a regular basis through premiums that come in no matter what the economic outlook. Historically, SLF has been able to provide additional value to shareholders through consistent dividend hikes due to its clean balance sheet and a commitment to shareholder returns.

BIP.UN

Brookfield Infrastructure Partners L.P. (BIP.UN) owns and operates infrastructure assets that has generated stable cash flows, by virtue of barriers to entry or other characteristics that tend to appreciate in value over time. The L.P. operates utilities, transport, energy, and communications infrastructure assets in North and South America, Australia, and Europe.

Recently, there has been a massive commitment to infrastructure development on a global scale. Canada seems to be following suit with infrastructure spend being a huge focus of the recent 2025 Budget. We believe that BIP.UN is well positioned to take advantage of this trend due to its high rate of capital recycling and deployment. BIP.UN recently secured \$2.4 billion from 9 sale processes and deployed \$1.3 billion of that into communications, railcar, & energy investments. With highly contracted/regulated and stable cash flows and a large backlog, BIP's base business is expected to remain resilient.

FTS

Fortis Inc. (FTS) owns nine regulated electric and gas utilities in Canada, the US, and the Caribbean, serving 3.5 million electricity and natural gas customers. The company operates in 16 jurisdictions and is 100% regulated.

We have written about Fortis in one of these letters before. Given the topic of earnings growth and their above mentioned annual dividend increase we thought it was worthwhile to highlight them again. Fortis's earnings have been able to support over 50 consecutive years of a growing dividend with their most recent earnings marking the 13th consecutive quarter with earnings exceeding expectations. As a utility, FTS provides price-regulated products people need during good and bad times. FTS is able to grow by acquiring more regulated assets and plans to invest \$28.8 billion over the next 5 years.



While the path forward will include periods of volatility, we believe it also presents meaningful opportunities for disciplined investors. History tells us market conditions will shift, but a disciplined approach and a well-constructed plan remain the most reliable components of success in our view. We continue to monitor the evolving market landscape closely and position your portfolio with a focus on quality, resilience and long-term opportunity. As always, our priority is helping you stay confidently on track toward your long-term goals.

If you know anyone that would like to regularly receive our letter, please let us know and we would be happy to add them to the list.

Michael Anderssen, CFP®, CIM®, FMA
Senior Portfolio Manager and Senior Investment Advisor
902-541-3104 | Michael.Anderssen@td.com
anderssenwealthmanagement.com
[Connect with me on LinkedIn](#)
[Follow me on Twitter](#)

Anderssen Wealth Management

TD Wealth



The information contained herein has been provided by Michael Anderssen, Senior Portfolio Manager and Senior Investment Advisor, TD Wealth Private Investment Advice, and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

Certain statements in this document may contain forward-looking statements ("FLS") that are predictive in nature and may include words such as "expects", "anticipates", "intends", "believes", "estimates" and similar forward-looking expressions or negative versions thereof. FLS are based on current expectations and projections about future general economic, political and relevant market factors, such as interest and foreign exchange rates, equity and capital markets, the general business environment, assuming no changes to tax or other laws or government regulation or catastrophic events. Expectations and projections about future events are inherently subject to risks and uncertainties, which may be unforeseeable. Such expectations and projections may be incorrect in the future. FLS are not guarantees of future performance. Actual events could differ materially from those expressed or implied in any FLS. A number of important factors including those factors set out above can contribute to these digressions. You should avoid placing any reliance on FLS.

Index returns are shown for comparative purposes only. Indexes are unmanaged and their returns include reinvestment of dividends, if applicable, but do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index.

© 2025 Morningstar is a registered mark of Morningstar Research Inc. All rights reserved.

TD Wealth represents the products and services offered by TD Waterhouse Canada Inc., TD Waterhouse Private Investment Counsel Inc., TD Wealth Private Banking (offered by The Toronto-Dominion Bank) and TD Wealth Private Trust (offered by The Canada Trust Company).

Anderssen Wealth Management is part of TD Wealth Private Investment Advice, a division of TD Waterhouse Canada Inc. which is a subsidiary of The Toronto-Dominion Bank. *The TD logo and other TD trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.

BC26-199