TD Wealth

Summer 2026
Quarterly Update

As we move into summer, we hope you are enjoying the longer days, and all that our country has to offer. Our family is looking forward to exploring the Southern Gulf Islands this season and getting outside as much as possible!

Outside the office, we continue to support local organizations making a meaningful impact in our community. We are inspired by the generosity of our clients and the important work being done through organizations such as Victoria Hospitals Foundation and BC Cancer.

From an investment perspective, the backdrop remains complex even though we are now 3.5 years into an equity bull market. In this edition, we explore why markets often behave differently than the headline news cycle and examine the role commodities and export-oriented countries may play in portfolio allocation for Canadian investors.

Lastly, we share some practical tips to help protect yourself and your assets from increasingly sophisticated fraud and cyber scams and introduce our newest team member, Lily Taylor whom you'll hear from on page 6.

As always, our goal is to provide clarity, perspective, and continuity. We appreciate the trust you place in our team and wish you and your loved ones a wonderful, relaxing summer.

Victoria Hospitals Foundation
Surgeon's Reception
May 2026

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The BonnGasic Group | Wealth Management

Why Markets Can Rise While the News Feels So Negative

One of the most common questions we hear from clients today is a reasonable one: How can markets be performing well when the news cycle feels so unsettled? High energy prices, ongoing conflicts across the Middle East and Ukraine, heightened political uncertainty, and shifting global trade dynamics dominate headlines—yet equity markets, particularly in the U.S. technology sector and key Canadian industries such as commodities, materials, and financials, have remained resilient.

The explanation lies in how markets actually function. Markets are not a reflection of today's headlines; they are a forward-looking mechanism that discounts expectations about economic growth, corporate earnings, and financial conditions over time. While geopolitical risks and macro uncertainty matter, they are only one part of a much broader equation.

In the U.S., strong performance in large technology and innovation-driven companies has been underpinned by sustained earnings growth, balance-sheet strength, and continued investment in productivity-enhancing technologies such as artificial intelligence. Markets tend to reward companies that can grow cash flows even in uncertain environments, and that has helped offset broader macro concerns.

In Canada, higher commodity and energy prices—while uncomfortable for consumers—have supported earnings for producers, materials companies, and certain financial institutions. Canada's market structure naturally provides exposure to sectors that can benefit from inflation-linked revenues and global demand for real assets, which has acted as a counterbalance to global uncertainty.

Importantly, markets also adapt. Over time, risks that dominate headlines become known, assessed, and priced in. That does not mean risks disappear—but it does mean markets move on to evaluating what comes next. History shows that prolonged periods of negative news often coexist with positive market returns, particularly when economic growth and corporate profitability remain intact.

For long-term investors, this reinforces a familiar but essential principle: successful investing is less about reacting to the daily news cycle and more about maintaining discipline through periods of uncertainty. Diversification, quality, and patience remain far more reliable allies than prediction or reaction.

Commodities and Portfolio Construction: A Different Source of Diversification

When investors think about diversification, the focus is often on balancing equities and fixed income. While this framework remains foundational, it does not fully address all the risks that can emerge across economic cycles; particularly those tied to inflation, supply disruptions, and long-term structural change. This is where commodities can play a complementary role.

Commodities represent the basic inputs that underpin the global economy, from energy and metals to agricultural products. Unlike stocks or bonds, their prices are driven primarily by supply and demand rather than corporate earnings or interest rates. As a result, commodities often behave differently from traditional financial assets, which can enhance diversification within a portfolio.

One of the defining characteristics of commodities is their sensitivity to inflation. Because they are direct inputs into everyday goods and services, commodity prices often respond quickly to inflationary pressures, especially when inflation is driven by supply constraints. In these environments, traditional assets can face headwinds, while commodities may help provide balance.

Beyond cyclical considerations, commodities are also central to several long-term structural trends shaping the global economy. The transition toward a more digital and AI-enabled world is highly resource-intensive. Data centres, advanced computing infrastructure, and network expansion require significant amounts of energy and industrial metals. Similarly, the energy transition. through electric vehicles, battery storage, renewable power generation, and grid modernization depends heavily on commodities such as copper, lithium, nickel, and other critical materials. Fortunately, Canada has ample natural resources and higher commodity prices in the last year has been bullish for Canadian equities – i.e., materials and energy stocks.

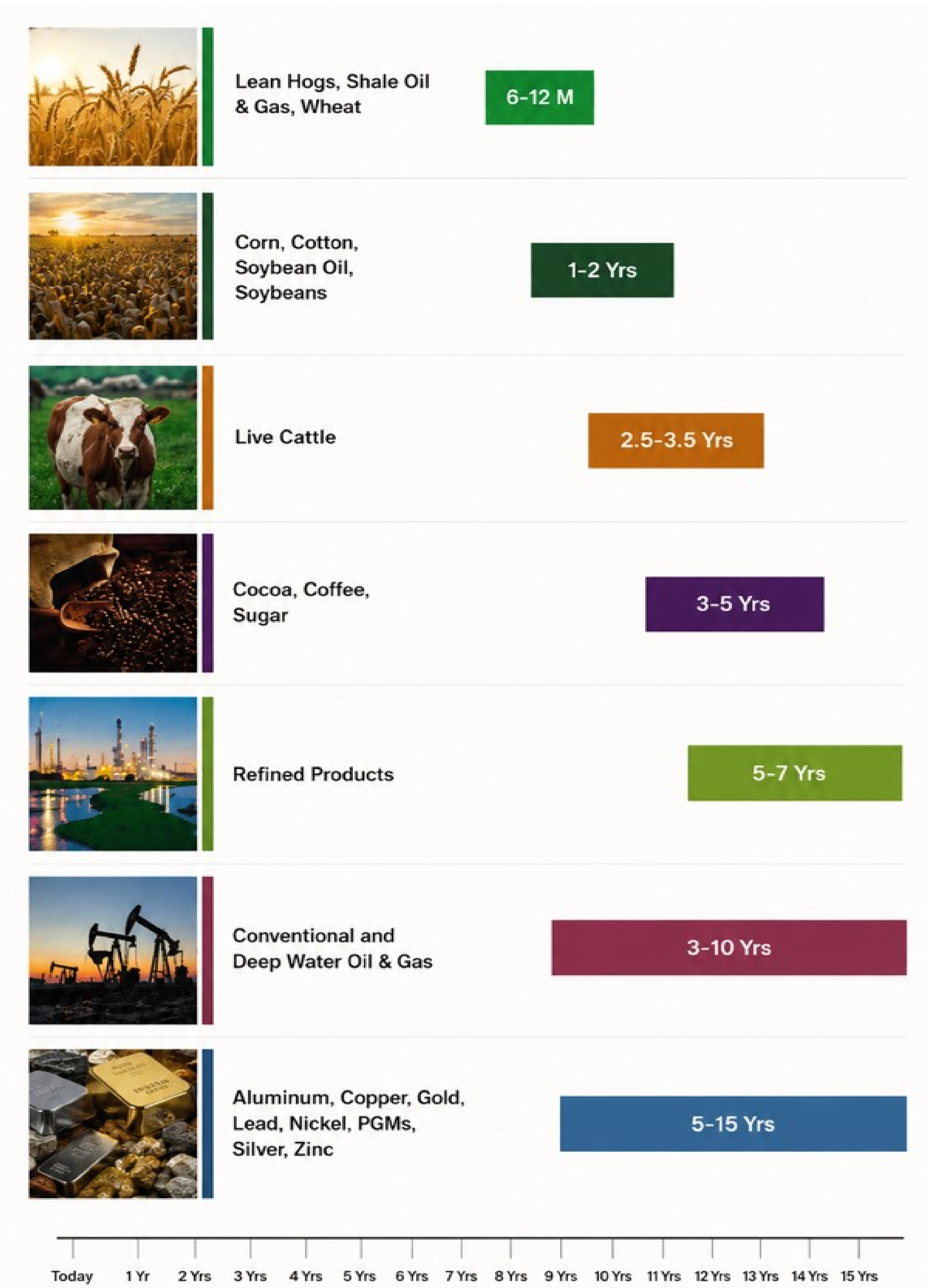
These trends are not short-term in nature. They reflect sustained investment cycles that rely on physical inputs, often against a backdrop of constrained supply and long development timelines. This dynamic reinforces the role commodities can play as a differentiated source of return; one that is not dependent on corporate profitability or declining interest rates.

Commodities also tend to behave differently across phases of the business cycle. At times, rising demand supports prices; at others, supply disruptions or geopolitical events can be the dominant driver. Their value lies not in leading performance in every environment, but in how they interact with the rest of a portfolio.

When incorporated thoughtfully and with a long-term perspective in mind, commodities can help broaden the sources of risk and return within a portfolio. This adds resilience, balance and potentially better risk-adjusted returns.

Commodity Supply is Inelastic
Production is Likely to Lag

Estimated time for supply response after investment decision



Source: TD Asset Management May 2026

The Rising Sophistication of Financial Fraud

Financial fraud continues to evolve, and increasingly, it relies less on obvious scams and more on highly convincing impersonation, digital manipulation, and social engineering. Rather than relying on crude tactics, today's fraudsters invest time in understanding how individuals communicate, how institutions operate, and where complexity can create opportunity.

We are seeing more instances where fraudulent requests closely resemble legitimate correspondence—emails that appear to come from trusted institutions, professionals, or even family members. In some cases, compromised email accounts or subtly altered payment instructions are used to create a sense of familiarity and urgency. These tactics are designed to bypass caution by exploiting trust rather than triggering suspicion.

For high-net-worth families, complexity itself can be a vulnerability. Multiple accounts, professional relationships, corporate entities, and family members involved in decision-making naturally increase the number of touchpoints where something can go wrong. Fraudsters understand this and often target moments when decisions feel routine, time-sensitive, or administrative in nature.

Technology has made many aspects of financial life more efficient, but it has also reduced the friction that once slowed bad actors down. As a result, prevention today relies as much on process and judgment as it does on technology. Clear verification procedures for money movement, skepticism toward unexpected requests, and well-understood internal checks all play an important role.

It is also worth noting that fraud is not a reflection of carelessness or lack of sophistication. Even highly experienced individuals can be caught off-guard when requests appear legitimate and arrive at the right moment. The goal is not to create fear, but to build habits that make fraud less likely to succeed.

A simple word of advice: if something feels even slightly off, pause and pick up the phone. A quick call to us can provide clarity and reassurance—and in many cases, prevent a small uncertainty from becoming a larger issue. We are always happy to confirm, verify, or talk something through.

Learn more by clicking on the link →

Updates From Our Team: Meet Lily Taylor

We are pleased to welcome Lily Taylor to our team as an Administrative Associate.

Lily brings a strong background in client service, communication, and organization, supported by a Bachelor of Arts in Creative Writing and English Literature from the University of British Columbia Okanagan. Before joining our team, she gained hands-on experience in financial services administration, where she supported advisors with client communications, meeting preparation, reporting, and ongoing account servicing.

In addition to her experience within a financial planning environment, Lily has worked as a professional writer, contributing news and feature articles for both digital and print publication. This background has strengthened her ability to communicate clearly, manage details carefully, and adapt tone and messaging to different audiences—skills that translate directly into thoughtful client support.

Lily's role focuses on helping ensure smooth day-to-day operations, timely communication, and a high level of organization behind the scenes. She is also continuing to build her understanding of the Canadian wealth management landscape as she develops her career in the industry.

Lily grew up in Collingwood, Ontario, where she developed a strong appreciation for community, creativity, and lifelong learning. Recently, Lily made the move to Victoria, drawn by its natural beauty and the opportunity to live closer to the ocean.

We are delighted to have Lily join the The Bonn Gasic Group Wealth Management and are confident that her professionalism, attention to detail, and client-first mindset will be a valuable addition to our team and to the experience we provide our clients.

Lily Taylor

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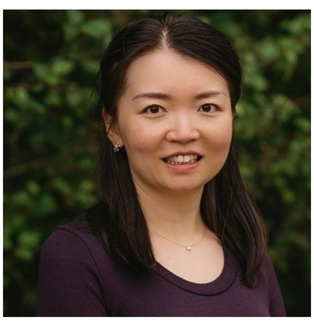

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Index returns are shown for comparative purposes only. Indexes are unmanaged and their returns include reinvestment of dividends, if applicable, but do not include any sales charges or fees as such costs would lower performance. It is not possible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

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