

Q3 report

Persistent inflationary pressures remained a central theme in the United States throughout the third quarter of 2025. Despite sticky inflation, the Federal Reserve began its first rate cuts of the cycle as cracks began to appear in the labour market. Against this backdrop, gold and other precious metals rallied as investors sought stability in traditional safe-haven assets. The advance in gold was further underpinned by continued central bank purchases and ongoing geopolitical risks, providing a strong tailwind to Barometer's positioning in the group.

Strength was not limited to gold. As the global economy showed signs of turning, industrial metals such as copper began to recover meaningfully. Copper's advance was supported by resilient demand for electrification, infrastructure, and the build-out of energy transition capacity, while uranium and lithium also gained traction as key beneficiaries of shifting global energy policies. These trends underscored the value of Barometer's allocation to resource and commodity-linked equities, which provided

both diversification and durable exposure to structural growth themes.

In equities, several long-standing investment themes continued to deliver strongly positive returns. The artificial intelligence-driven semiconductor and data-center infrastructure trade once again led performance, with companies providing the hardware, networking, and fabrication equipment for AI build-outs remaining in high demand. Similarly, the aftermarket aerospace parts trade continued to benefit

from persistent dislocations in aircraft production, forcing airlines to extend fleet lifecycles and driving robust demand for maintenance and replacement components. These secular themes have been working for several quarters and remained among the strongest contributors to results in Q3.

September, which historically has been a seasonally weak month for equities, bucked the trend this year, with global

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markets rallying into quarter-end. This strength reinforced Barometer's constructive positioning, as the firm remained generally fully invested throughout the period. Breadth broadened across global equity markets, and even within the United States, market participation improved, suggesting that leadership was not limited to a narrow group of stocks. Importantly, correlation within the S&P 500 fell, creating a more favorable environment for active managers and reinforcing the case for disciplined stock selection.

While headline risks remain, notably investor concern over the possibility of a U.S. government shutdown, Barometer views these risks in historical context. Past shutdowns have rarely resulted in sustained negative forward returns, and the firm is less concerned about their market impact. Entering the fourth quarter, Barometer is constructive on the outlook: global breadth is supportive, commodity markets are well-positioned, and secular growth themes continue to deliver. With a fully invested stance

and an emphasis on leadership groups, Barometer remains confident in its positioning as the market environment evolves.

Barometer Tactical Equity Pool

The Barometer Tactical Equity Pool entered the third quarter fully invested, with an emphasis on leadership groups in technology, materials, and financials. Technology exposure made the most significant positive contribution to pool performance. Positions in Lam Research Corporation, Broadcom Inc., Celestica Inc., and NVIDIA Corporation all advanced during the period as demand for artificial intelligence and semiconductor equipment remained strong. These companies benefitted from an acceleration in capital spending tied to AI infrastructure build-out, with Broadcom and NVIDIA continuing to see extraordinary growth in data center revenues, while Lam Research and Celestica provided the critical hardware and services that underpin these trends.

Materials sector exposure also contributed meaningfully to results. Hudbay Minerals Inc., Agnico Eagle Mines Limited, and Alamos Gold Inc. all performed well. Hudbay continued to benefit from its copper and gold production profile at a time of improving commodity prices, while Alamos Gold delivered steady results supported by resilient bullion prices. Agnico Eagle Mines added to returns as its low-cost gold production and disciplined capital allocation positioned the company well in a supportive gold price environment.

Financials exposure was another contributor. Banco Santander S.A. benefitted from stabilizing credit conditions in Europe and successful capital allocation toward faster-growing geographies. Bank of Montreal delivered gains supported by steady loan growth, cost control, and strong wealth management contributions. Morgan Stanley also contributed positively, with performance underpinned by resilient

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investment banking activity and continued momentum in wealth and asset management. Collectively, these financial institutions provided balance between growth potential and income stability, enhancing overall pool returns.

The pool's consumer staples exposure detracted modestly. Loblaw's Companies Limited was sold following a period of strong performance, and while its contribution to returns was positive over the holding period, its absence during later strength in staples meant the group did not add during the quarter. Otherwise, no single sector detracted in a meaningful way, as weaker individual names were exited promptly to reallocate into stronger opportunities.

Barometer Tactical Income Pool

The Barometer Tactical Income Pool entered the quarter positioned in leadership groups, which drove strong results. Financials exposure was the largest source of strength. Banco Santander S.A.

advanced as investors grew more confident in European bank earnings durability, with stable credit costs and stronger capital discipline supporting valuations. Bank of Montreal and Royal Bank of Canada contributed positively on the back of consistent loan growth, capital strength, and resilient retail banking operations. Morgan Stanley and JPMorgan Chase & Co. benefitted from increased market activity in trading and advisory businesses, while National Bank of Canada advanced on the back of strong domestic lending and fee income growth. Collectively, the pool's financial holdings highlighted the attractiveness of well-capitalized institutions able to compound shareholder value through steady growth and disciplined capital return programs.

Materials exposure also added to results. Agnico Eagle Mines Limited benefitted from strong operating performance and higher gold prices, reinforcing its reputation as a high-quality, low-cost producer. Pan American Silver Corp. advanced as silver prices rallied and operational execution

improved across its mines, while Wheaton Precious Metals Corp. added to returns as investors sought exposure to gold and silver royalties and streaming assets. These holdings provided diversification within the pool and helped buffer volatility from other segments of the equity market.

Industrials exposure delivered further upside. General Electric Company advanced on durable order growth across its aviation and energy businesses, while GE Vernova Inc. benefitted from explosive demand for natural gas turbines driven by rising global power needs, particularly those tied to data center expansion. RTX Corporation also contributed, supported by strength in its defense and aerospace segments as geopolitical tensions sustained elevated demand for military and aerospace solutions. Together, these companies reinforced the pool's focus on industrial leaders with strong balance sheets and visibility into long-term demand trends.

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On the negative side, consumer-oriented sectors detracted. Dollarama Inc. underperformed as investors grew cautious on consumer spending in discretionary retail, while Darden Restaurants, Inc. lagged amid a weaker dining environment and concerns over higher labor and input costs. Consumer staples exposure also weighed on performance, with Loblaw's Companies Limited underperforming after a period of strong gains earlier in the year. Although modest in magnitude, these detractors underscored the pool's cautious approach to consumer sectors where visibility remains limited.

Barometer Tactical Balanced Pool

The Barometer Tactical Balanced Pool delivered positive results in the third quarter, with performance led by strength in financials, communication services, and industrials. Financials exposure was the largest positive contributor, with Banco Santander S.A., Bank of Montreal, and JPMorgan Chase

& Co. all advancing. Santander benefitted from renewed investor confidence in the European banking sector as capital was reallocated from less profitable geographies toward faster-growing markets, and stable credit conditions supported earnings visibility. In Canada, Bank of Montreal continued to demonstrate strong balance sheet discipline and growth across both retail and commercial banking, while JPMorgan's global scale and diversified business mix allowed it to capture upside from resilient trading and investment banking activity.

Communication services exposure also added meaningfully to pool results. Alphabet Inc. and Meta Platforms, Inc. advanced on the back of robust advertising revenues and strong adoption of AI-driven products across their respective ecosystems. Alphabet's cloud and search businesses benefitted from accelerating enterprise spending on digital infrastructure, while Meta's continued investment in AI recommendation tools translated into stronger

engagement across its platforms and renewed advertiser demand. Both companies remain core beneficiaries of the secular shift toward digital transformation, supported by operating leverage and scale advantages that position them to compound earnings over the medium term.

Industrials exposure provided a further boost to performance. GE Vernova Inc. continued to capitalize on surging demand for natural gas turbines, as global power requirements expanded rapidly to meet the energy needs of data centers and industrial facilities. The company's growing backlog underscored the durability of this theme, with investors gaining confidence in the long-term trajectory of power equipment demand. Howmet Aerospace Inc. also contributed positively, driven by robust demand for aerospace components and aftermarket parts as dislocations in commercial aircraft production persisted. Airlines continued to extend the service life of existing fleets, creating

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sustained demand for Howmet's high-margin aftermarket products. Together, these positions reflected the pool's focus on industrials leveraged to durable structural growth drivers.

Health care exposure detracted from returns, led by Boston Scientific Corporation. While the company continues to deliver innovation in its core cardiovascular and medical device franchises, the sector underperformed relative to cyclical and growth-oriented groups during the quarter. Consumer discretionary exposure also weighed on results, with Darden Restaurants, Inc. facing headwinds from softer U.S. consumer spending and a more competitive dining environment. Finally, consumer staples exposure through Loblaw's Companies Limited modestly detracted, as the company consolidated earlier gains and the sector lagged in an environment where investors rotated

toward higher-growth opportunities.

Barometer Global Macro Pool

The Barometer Global Macro Pool delivered solid positive results in the third quarter, with gains led by exposure to precious metals, other commodity-related themes, and selective developed and emerging market allocations. Precious metals were the largest source of strength, as positions in the ETFMG Prime Junior Silver Miners ETF (SILJ), VanEck Junior Gold Miners ETF (GDXJ), Global X Silver Miners ETF (SIL), Sprott Gold Miners ETF (SGDM), Sprott Physical Gold Trust (PHYS), and Sprott Physical Silver Trust (PSLV) all advanced. Investor demand for gold and silver remained elevated as markets continued to seek protection against geopolitical uncertainty, central bank policy shifts, and persistent inflationary pressures. The pool's diversified approach across physical holdings, producers,

and junior miners allowed it to capture both the stability of bullion and the leverage of producers, driving a substantial positive contribution.

Other metals exposures also added meaningfully. The Global X Copper Miners ETF (COPX) benefitted from stronger copper prices tied to demand from electrification and infrastructure buildout. Lithium exposure through the Global X Lithium & Battery Tech ETF (LIT) advanced as battery demand remained robust, supported by growth in electric vehicles and energy storage. The Global X Uranium ETF (URA) performed well as nuclear energy continued to gain traction globally, with rising acceptance as a critical component of clean energy transitions. These commodity exposures diversified the pool's return profile and highlighted our focus on structural themes underpinning global energy and infrastructure needs.

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