



Quarterly Investment Review

September 2026

NEXUS

Agenda

1. Inside Nexus
2. Current Environment
3. Portfolio Overview
4. Investment Performance
5. Appendices

Upcoming Nexus Events

Living to 100: Home, Health, and Independence

A conversation about staying independent, well,
and at home for as long as possible.

Tuesday, October 20, 2026
70 Jefferson Ave,
Toronto

5:00pm – Registration
5:30pm – Presentation

Reception to follow

Nexus Annual Client Event

An Evening with Rick Mercer:
Stories, Satire, and Canada

Tuesday, November 24, 2026
SixtyEight at Scotia Plaza
40 King St W 68th floor,
Toronto

Rick Mercer live
Reception & dinner to follow

Save the date



Inside Nexus



Employees

- We have 30 employees and continue to invest in our people and succession planning
- Congratulations to Eileen Firth, who has received her CFP designation and is now an Associate Wealth Planner



Firm Highlights

- Brad Weber will soon be featured on Zoomer Radio's segment *The Expert*. Stay tuned!
- \$3.7 billion in firm AUM
- Our client retention rate has been 98% since 2008



Community

- Our recent support in the community includes:
 - Muskoka Chautauqua's arts and cultural programming
 - Fusion Gala, in support of cystic fibrosis research
 - Humour Me, in support of St. Michael's Hospital Foundation



Client Experience

- Upcoming Events:
 - Living to 100: Home, Health, and Independence on October 20th
 - Annual Client Event: An Evening with Rick Mercer on November 24th

Current Environment

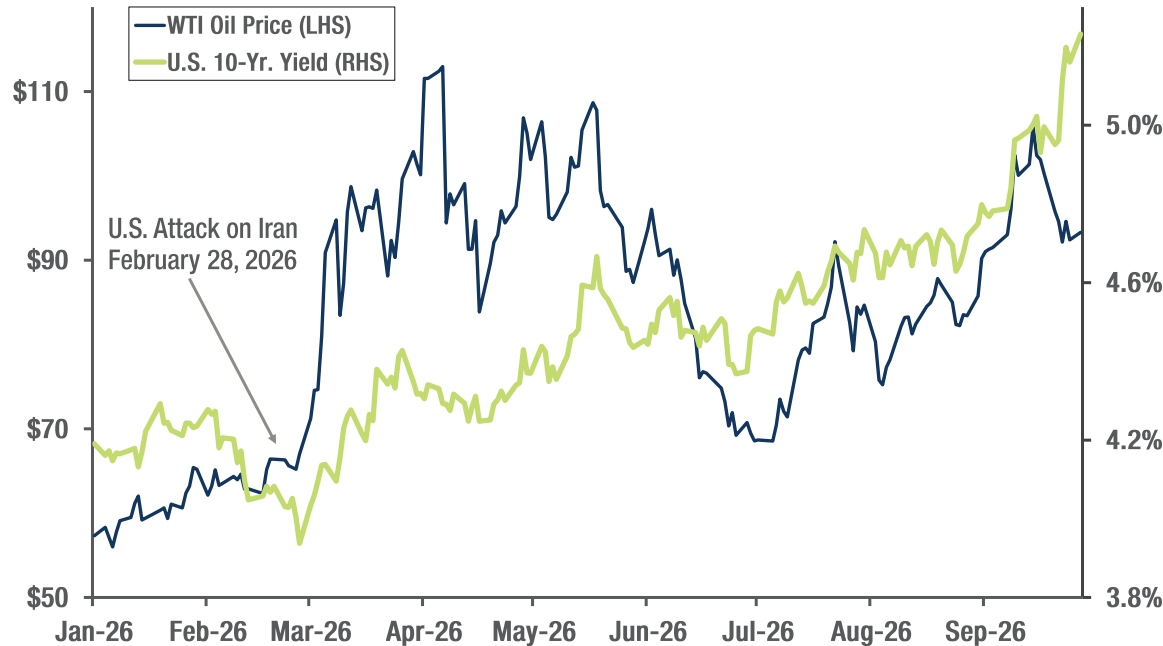
Geopolitics and AI remain the largest drivers of financial markets

- Wars in Iran and Ukraine continue, driving energy prices higher
 - Attacks on Russian refineries are disrupting oil and diesel supply
 - Elevated energy prices have led to higher inflation and interest rates
- Canada-U.S. trade tensions have escalated
- The Canadian economy is proving resilient, so far
- High U.S. debt and deficit levels increasingly worrisome as rates rise
- Rapid AI development fuels excitement and fear

Current Environment

Oil and Interest Rates

Global conflict drives oil prices higher, oil prices drive inflation and interest rates higher



Crude Oil and U.S. 10-Year Yield (Jan 1- Sep 28, 2026)

- Largest supply shock in history
 - ~20% of global oil supply flows through Strait of Hormuz
 - Supply fell from 20MM b/d to 5MM b/d on average ⁽¹⁾
- Higher oil prices have contributed to sticky inflation
 - Central banks are raising rates to combat inflation
- Interest rates are higher in the U.S. than Canada
 - U.S. rates face additional pressure due to debt concerns

Canada/U.S. trade tensions have escalated

Key Developments

- *Jul 20*: 50% U.S. tariffs on ~\$28B of goods
- *Aug 22*: Trade negotiations break down
- *Aug 24*: Trump threatens 50% tariffs on Canadian cars, trucks, parts and steel effective Jan 1
- *Aug 25*: Canada's counter-tariffs announced

Effects on Canada

- 0.4% of GDP directly exposed to new tariffs
- Manufacturers and farmers most affected
- Consumer impact depends on duration
- Energy, potash, and grains were spared

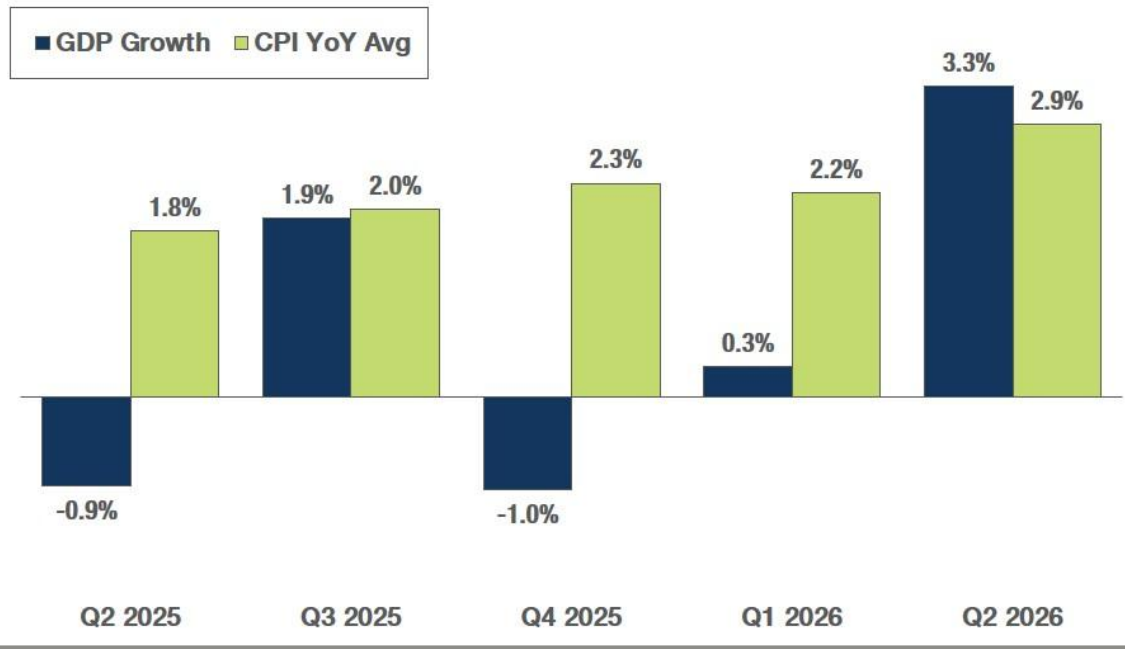
Current State

- Average tariff rate on U.S. imports from Canada went from 3.0% to 5.5%
- More than 80% of exports remain tariff-free
- Canada has increased trade diversification efforts

Current Environment

Canada

Despite the trade conflict, Canada is resilient so far



GDP Growth (%) and Inflation Rate (%) ⁽¹⁾

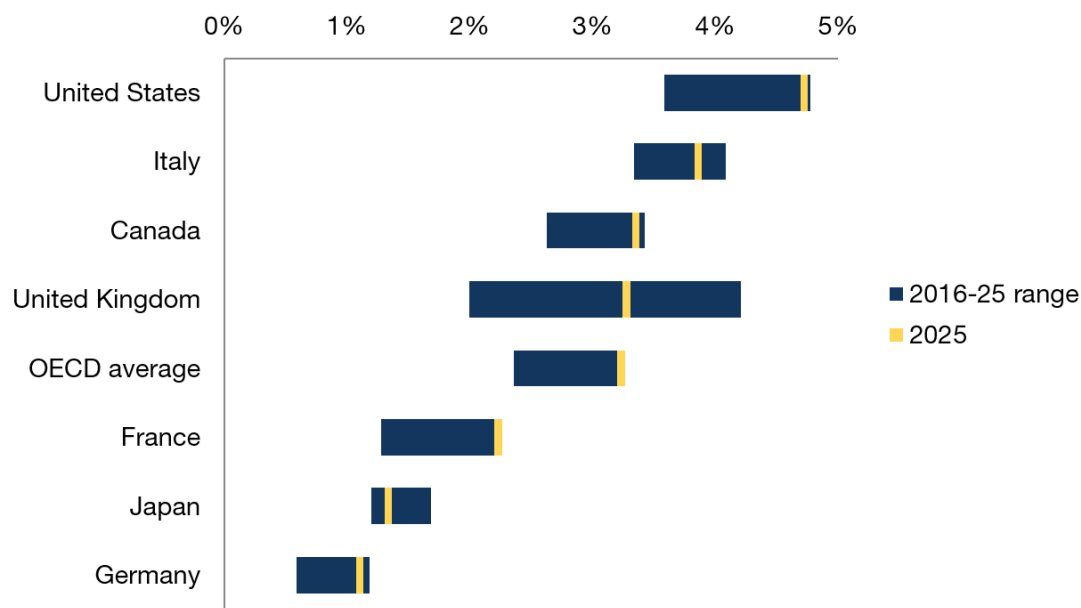
- Canadian economy is still growing, but challenges remain
 - GDP grew 3.3% annualized in Q2
 - Immigration slowdown – potential growth reduction
- Elevated oil prices bolster both growth and inflation
 - Higher energy revenues support growth
 - Everyone pays for higher fuel and borrowing costs
- Trade diversification
 - There are signs that Foreign Direct Investment is increasing
 - The Canada Investment Summit has sparked interest
- Employment
 - Unemployment rate at 6.4% vs 7.1% one year ago

Source: Statistics Canada.

⁽¹⁾ GDP growth expressed on a quarter-over-quarter annualized basis. GDP figures are seasonally adjusted. Inflation rate represents the average of the three monthly year-over-year CPI readings within the quarter.

Current Environment

The U.S. has the highest interest burden in the G7



- U.S. federal debt has crossed \$40 trillion
 - Up from \$8.5 trillion in 2006
- Interest costs now top \$1 trillion a year, more than the U.S. spends on defense
- Fiscal deficit near 6% of GDP, a level usually seen only in recessions

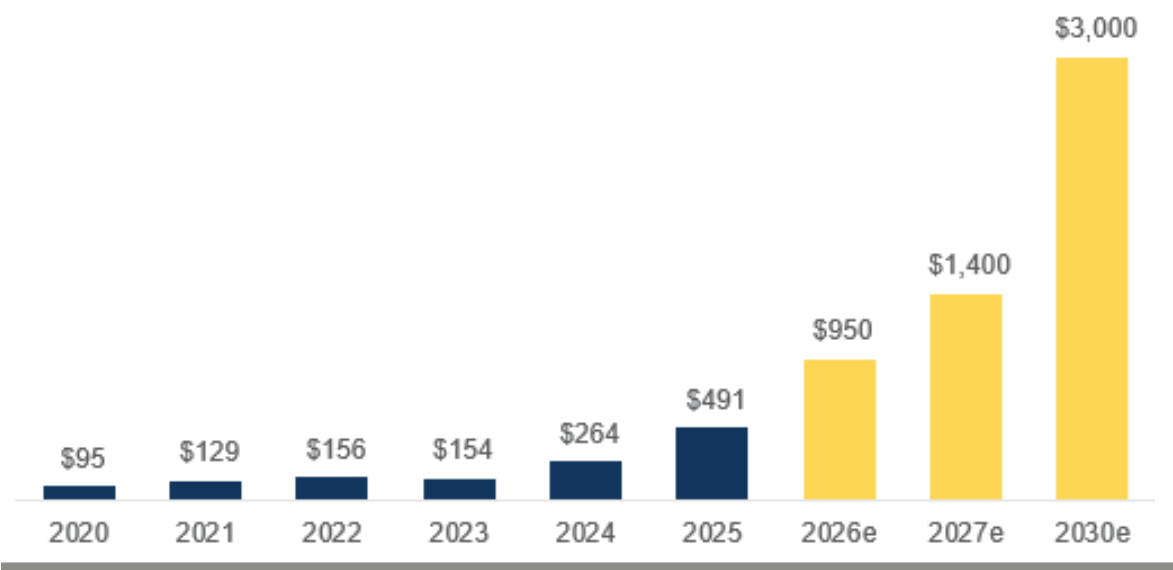
Interest Payments as a % of GDP

Portfolio Overview

In a noisy environment, our approach remains disciplined

- Stock markets have been strong even as wars, tariffs and rising rates filled the headlines
- AI is a dominant force for markets
 - We are selective in our exposure
- Our returns were strong and broad based
- Portfolio changes were refinements, not a shift in strategy
 - Trims into strength, deployment into contrarian buys
 - Asset mix remains close to long-term guidelines

Unprecedented capital is being committed to the data centres that power AI



AI Infrastructure Spending, 2020-2030 (US\$ billions) ⁽¹⁾

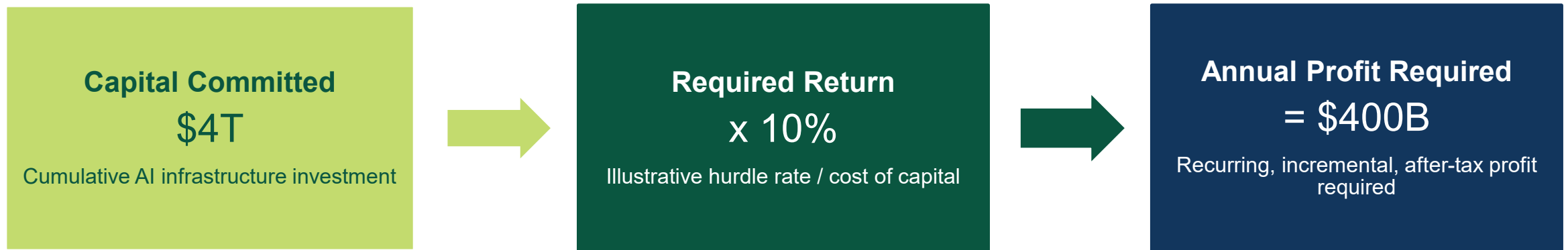
- AI spending has increased to hundreds of billions per year
 - The steepest increases are still ahead
- Spending of this magnitude raises the question of whether eventual returns justify today’s spending

⁽¹⁾ Combined annual capital expenditures for Amazon, Alphabet, Microsoft, Meta, Oracle, CoreWeave, Nebius, IREN and SpaceX. 2020–2025 are reported results; 2026, 2027 and 2030 are median consensus estimates.

Portfolio Overview

The AI Build-Out

The AI build-out raises a return-on-capital question

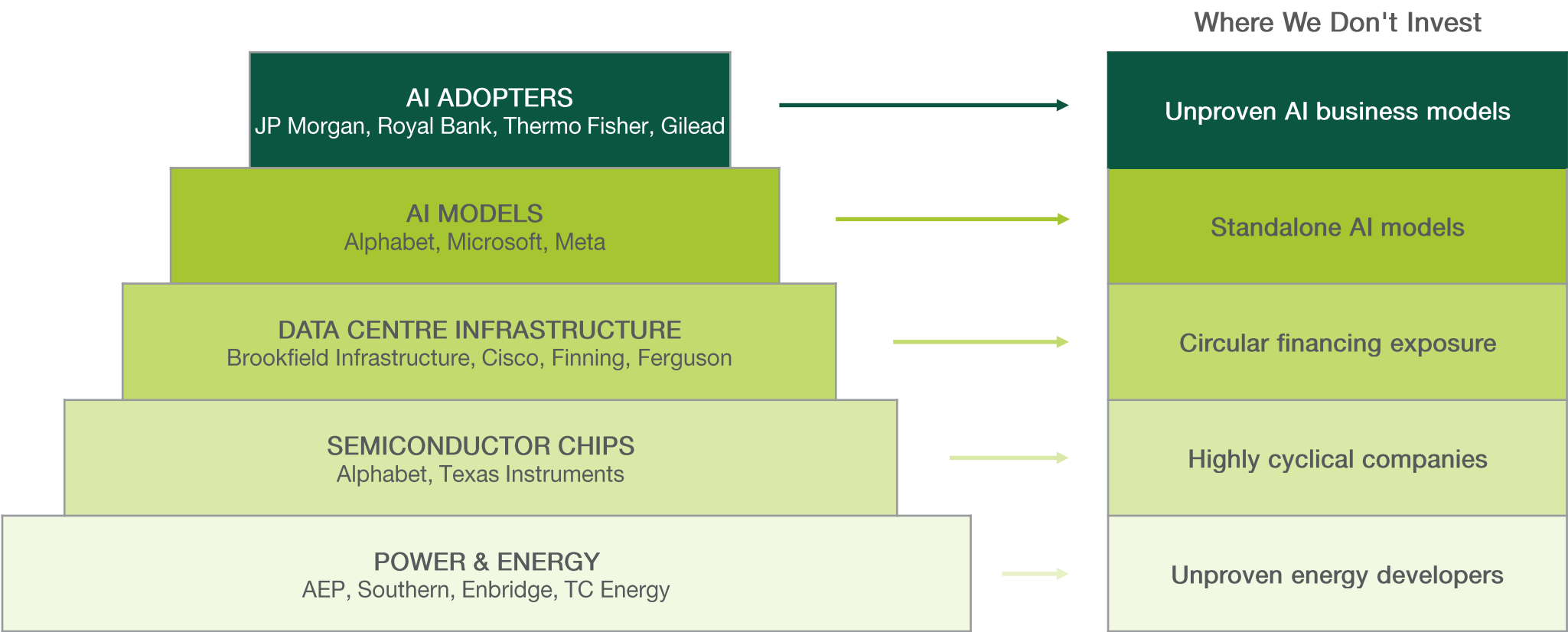


- **The core question:** Can AI leaders capture enough of the value AI creates to clear their cost of capital?
 - **Utilization:** Will all this new AI capacity actually get used?
 - **Pricing:** Will hyperscalers hold pricing power, or will competition erode it?
 - **Durability:** Can this capex be harvested before the next model makes it obsolete?

Portfolio Overview

Portfolio AI Exposure

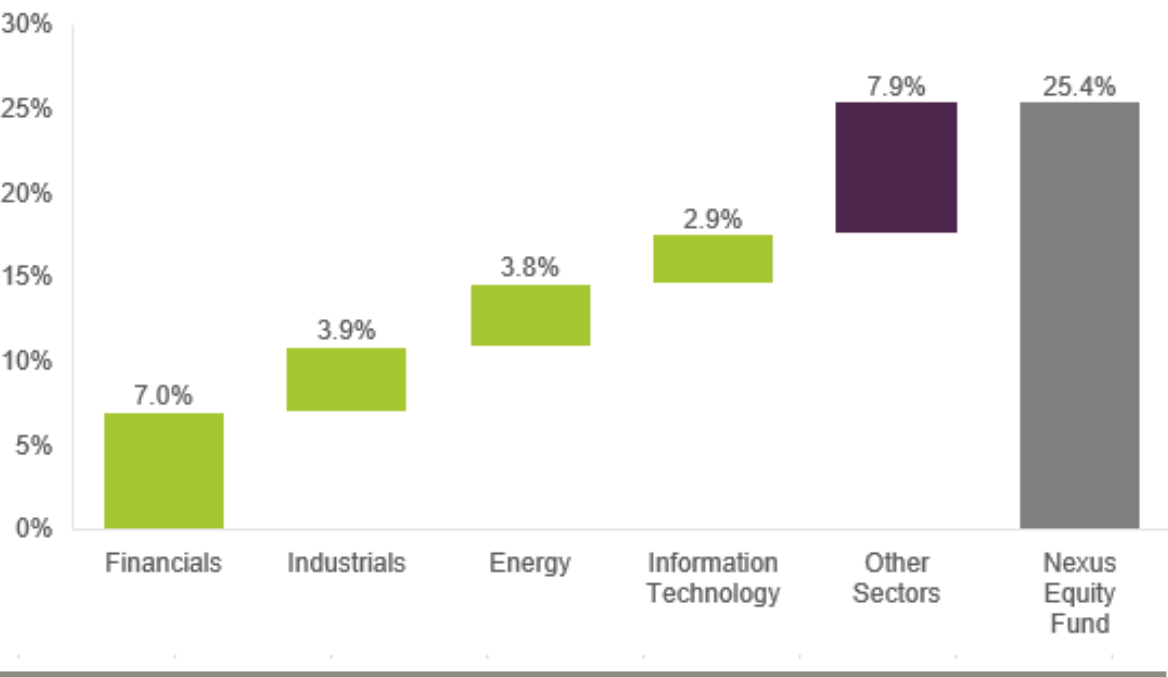
Our portfolios provide exposure to AI's growth potential, while maintaining investment discipline



Portfolio Overview

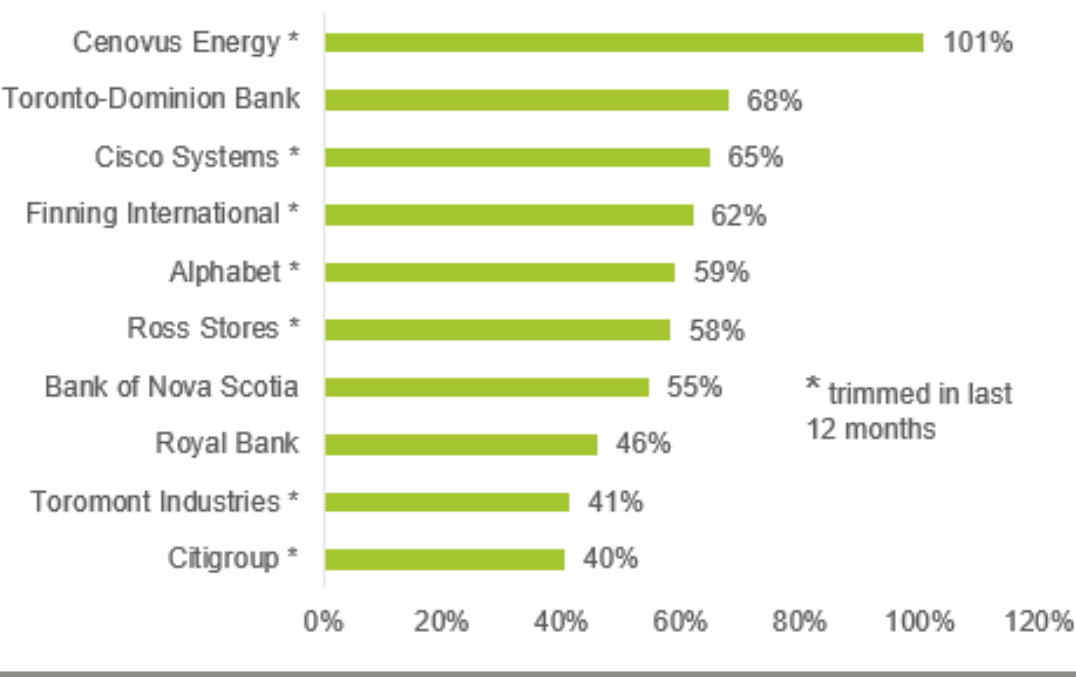
Sources of Return

Some sectors performed well, and that's where we trimmed



Contribution to Return by Sector – One Year Ended Aug 31, 2026 ⁽¹⁾

- Four sectors delivered 17.5% of the 25.4% one-year return



Top 10 Share Price Return in C\$ – One Year Ended Aug 31, 2026 ⁽²⁾

- Strong performance across a wide range of sectors and holdings.

As at August 31, 2026

Source: Bloomberg.

⁽¹⁾ Contribution to return measures each holding's or sector's share of the total portfolio return, reflecting both its investment performance and its weight in the portfolio. The data on this page is for the Nexus North American Equity Fund.

⁽²⁾ Top 10 contributors shown.

Portfolio Overview

Equity Portfolio Changes

We redirected capital into more contrarian positions

	Q4/25	Q1/26	Q2/26	Q3/26
Buy			Arthur J. Gallagher Constellation Software	The Southern Company
Add				Microsoft
Trim	Citigroup	Alphabet Cenovus Energy Suncor Energy TC Energy Enbridge ARC Resources	Cisco Systems Finning International Toromont Industries	JPMorgan Chase & Co. Citigroup Ross Stores
Sell		South Bow		ARC Resources

As at September 30, 2026

Portfolio Overview

A.J. Gallagher

Navigating risk



\$16B

2026 Revenue

+10% 10yr CAGR

\$3B

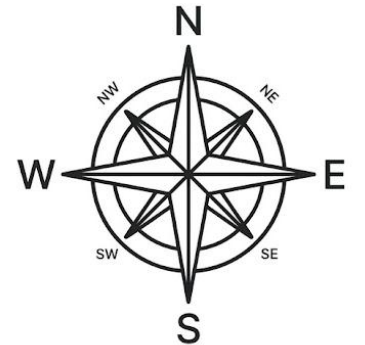
2026 Net Income

+20% 10yr CAGR

12%

2026 Return on Equity

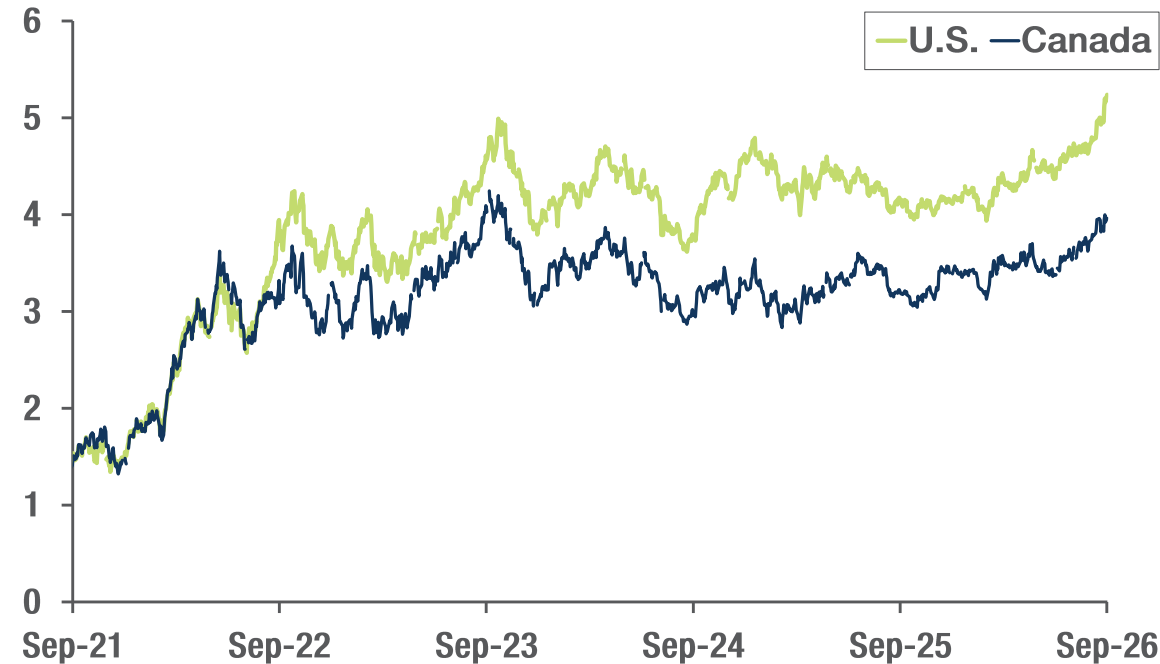
- A.J. Gallagher is an insurance broker serving middle-sized commercial customers, mainly in the U.S.
- Known for relationships, knowledge, and service
- Rising risk complexity is a tailwind
- Quality
 - Competitive advantages
 - Strong financial profile
 - Industry
 - Culture
- Why now?
 - Pricing cycle
 - AI disintermediation



Portfolio Overview

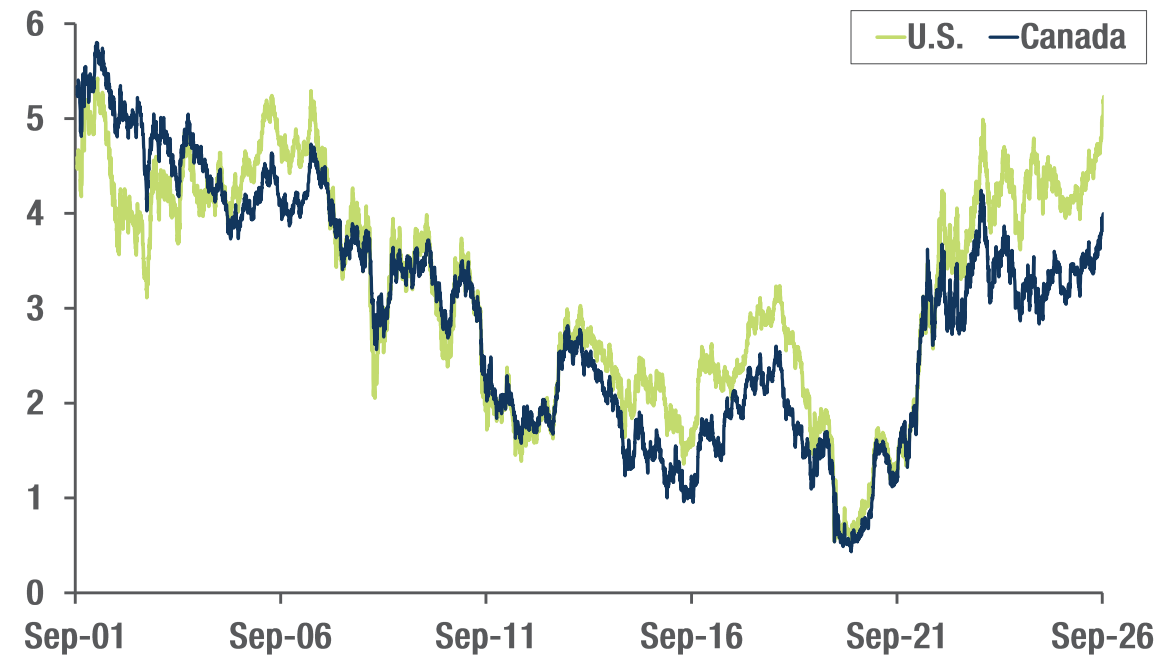
Fixed Income

Bond yields have risen, but the recent move is not outside historical context



10-Year Government Yields (%) – Last 5 years

- Rates in both countries have risen on higher inflation concerns (higher oil prices)
- The gap between Canadian and U.S. rates is relatively wide vs. historical norms as concerns rise about U.S. debt and borrowing needs



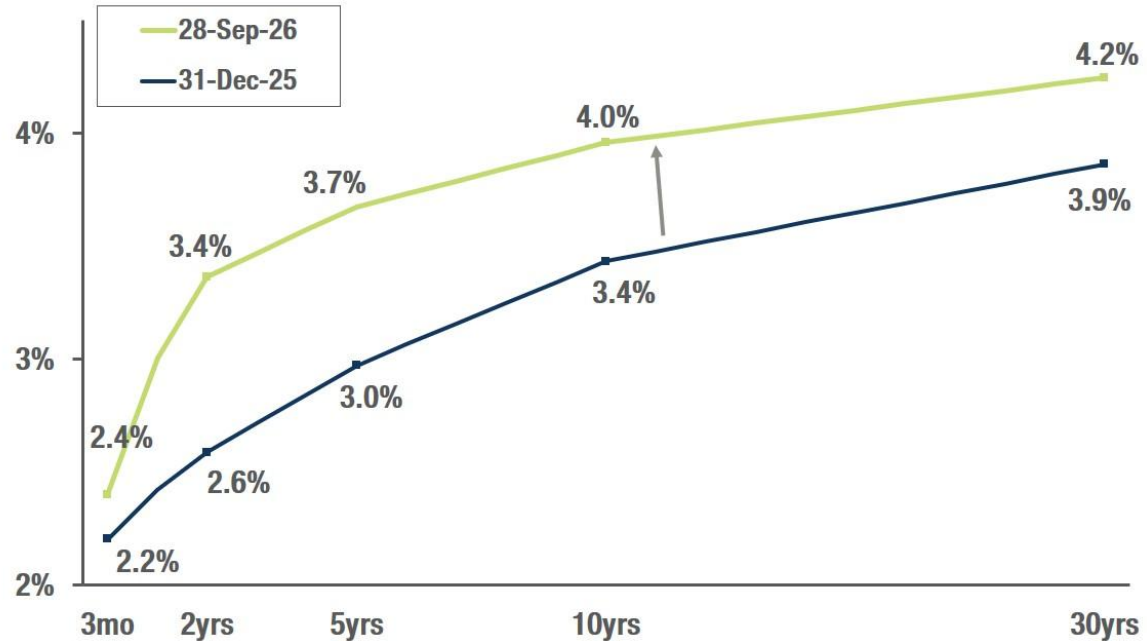
10-Year Government Yields (%) – Last 25 years

- Since 2001, the average 10-year yield in Canada was 2.9% and in the U.S. it was 3.2%

Portfolio Overview

Fixed Income

Nexus bonds holdings are focused on maturities of 2-10 years



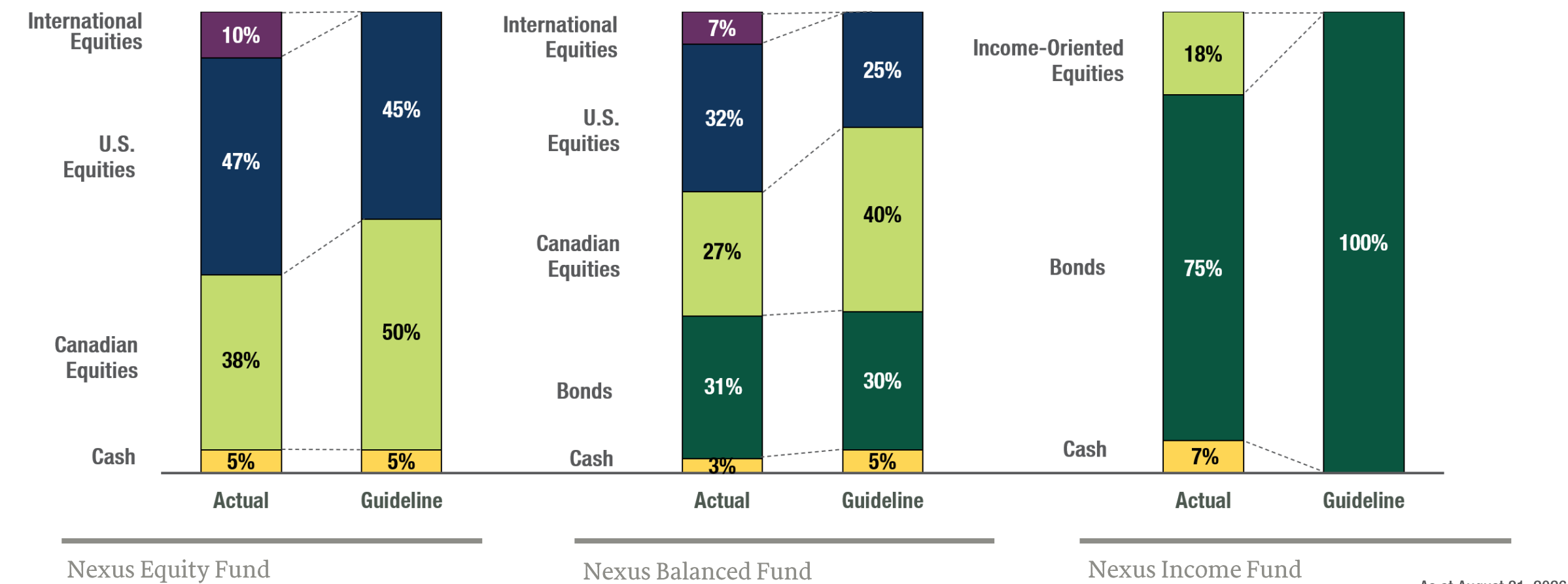
Government of Canada (GoC) Yield Curve

- Short-term yields remained anchored as the Bank of Canada has held its policy rate at 2.25%
- Higher yields are a global phenomenon
 - Steeper yield curves reflect investor caution about inflation
- The Nexus Income Fund has a duration of approximately four years
 - Our duration has increased modestly
 - It remains well below the benchmark duration of 6.7 years

Portfolio Overview

Asset Allocation

Equity exposure remains close to our long-term guidelines



As at August 31, 2026

▪ Our portfolios are thoughtfully diversified across asset classes, geographies and sectors

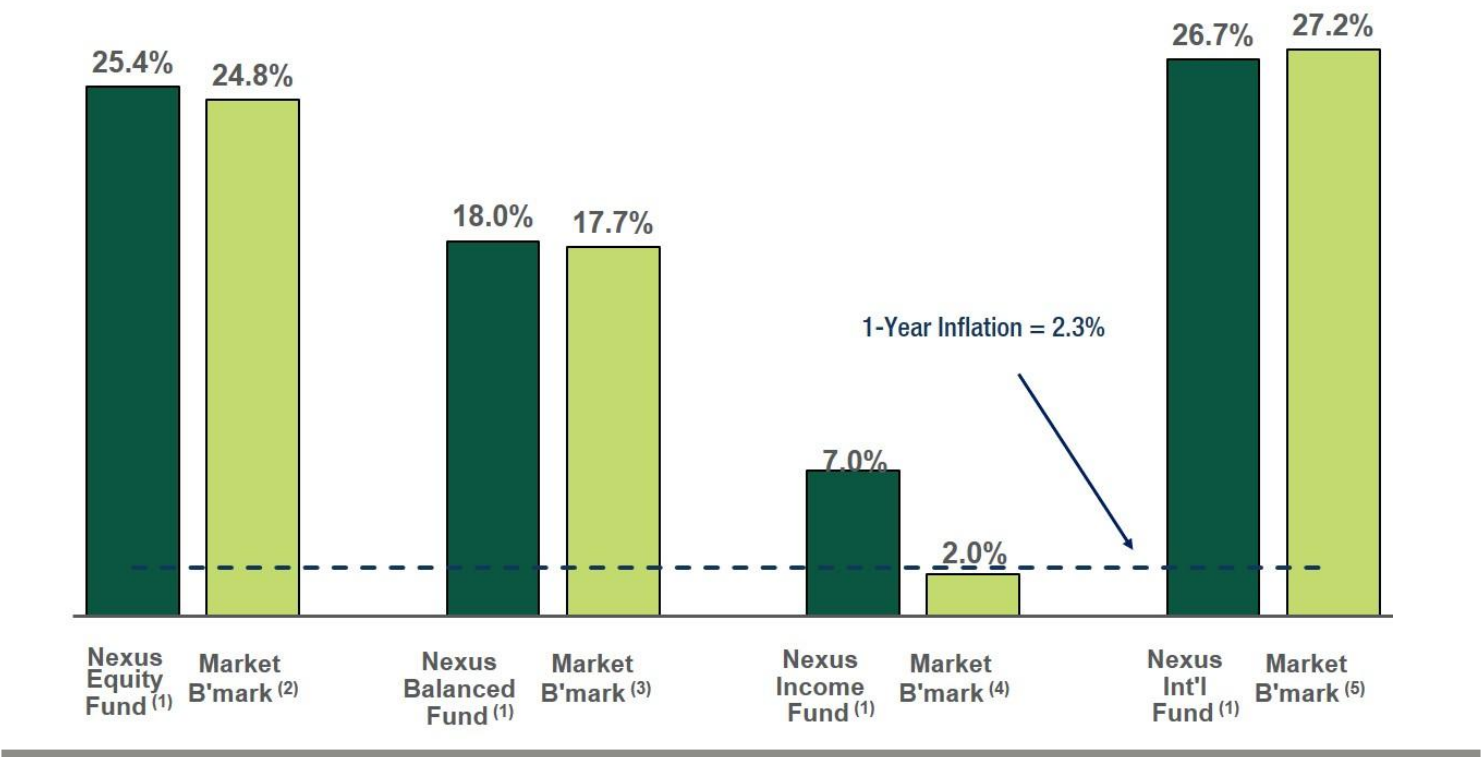
Investment Performance

Broad gains across markets and across Nexus portfolios

- Equity markets posted strong, broad-based gains over the past 12 months
 - Financials, gold and energy fuelled the Canadian market
 - AI-related technology and energy drove U.S. gains
 - Japan and emerging markets led internationally, both powered by chipmakers tied to AI
- Nexus portfolios delivered strong gains, building on solid results in recent years
 - Canadian, U.S. and international holdings all contributed positively
- Despite rising yields, bond returns remained modestly positive
 - Our shorter duration positioning helped, leaving our bond holdings ahead of the market
- Nexus portfolios maintain an attractive long-term risk/return profile

Investment Performance

Strong gains across all four Nexus Funds over the past 12 months



12-Month Return of Nexus Funds⁽¹⁾

⁽¹⁾ All Nexus returns are compound annual average, time-weighted, total rates measured in Canadian dollars and calculated after deducting such direct and indirect costs as applicable withholding taxes, trading commissions, custody fees and other fund/account expenses, but without deducting Nexus's management fees (which are charged to client accounts and vary by client). Returns for market indices and benchmarks are presented on the same basis, but without any such deductions. For more information about benchmarks, please refer to nexusinvestments.com/benchmarks. Past performance is not indicative of future results.

⁽²⁾ Equity Fund market benchmark is 5% FTSE Canada 91 Day T-Bill Index, 50% TSX, and 45% S&P 500 (in C\$); rebalanced monthly.

⁽³⁾ Balanced Fund market benchmark is 5% FTSE Canada 91 Day T-Bill Index, 30% FTSE Canada Universe Bond Index, 40% TSX, and 25% S&P 500 (in C\$); rebalanced monthly.

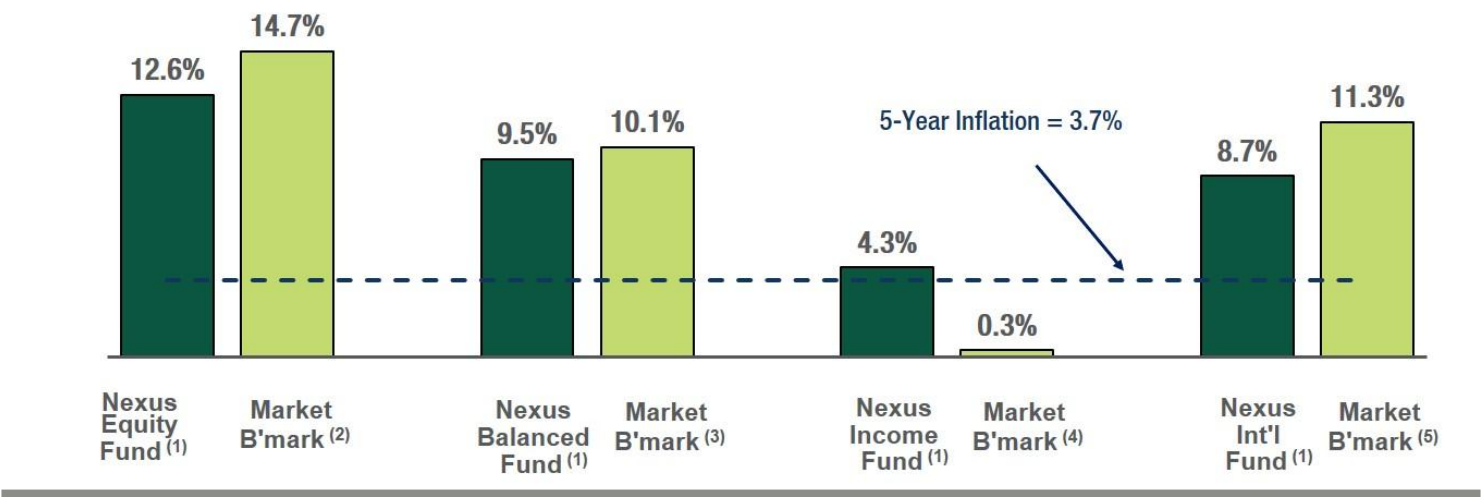
⁽⁴⁾ Income Fund market benchmark is the FTSE Canada Universe Bond Index. Note that in addition to bonds, up to 20% of the Income Fund portfolio may be invested in equity securities.

⁽⁵⁾ International Equity Fund market benchmark is 75% MSCI EAFE and 25% MSCI Emerging Markets indices (both in C\$); rebalanced monthly.

12 months ended August 31, 2026

Investment Performance

Robust five-year annualized returns with a focus on protecting capital



5-Year Annualized Return

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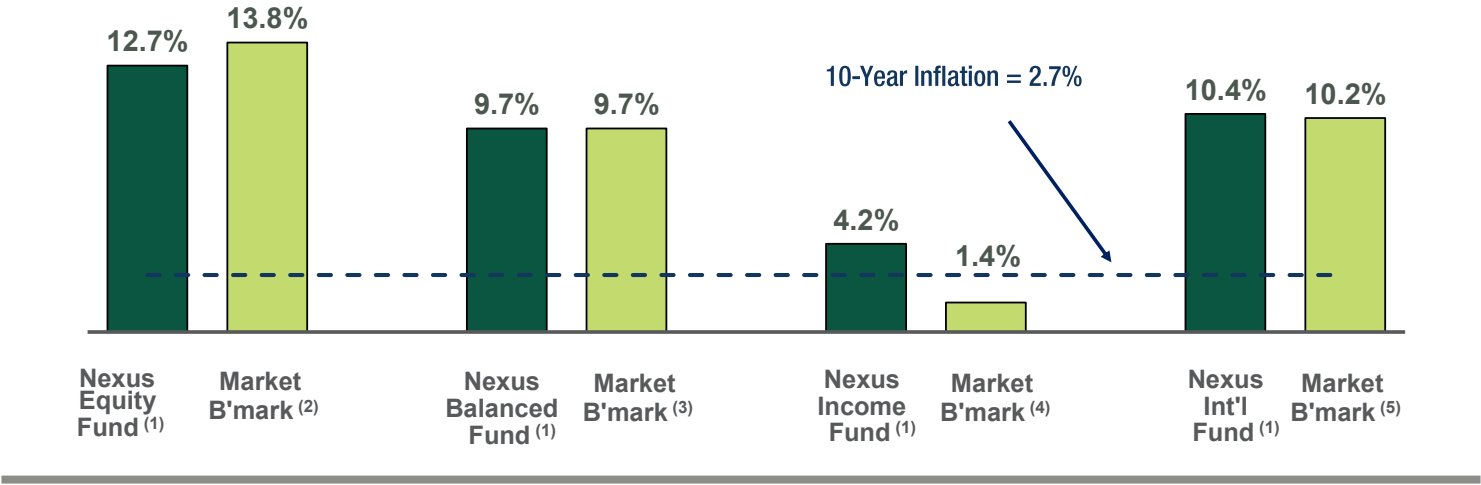
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5 years ended August 31, 2026

Investment Performance

10-year annualized returns have exceeded what we would normally expect over a full cycle



10-Year Annualized Return

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10 years ended August 31, 2026

Outlook

Your portfolio is positioned for long-term investment success

- North American equity portfolio is comprised of quality stocks with attractive valuations
 - Many established, dividend-oriented stocks
 - Attractive valuations provide good long-term upside with a margin of safety
- Nexus Income Fund is constructed to emphasize quality and reduce price risk
 - Credit quality is high and average bond maturities are short
 - Income-oriented equities add long-term growth and inflation protection
- International equities continue to add diversification
 - Higher dividend yields and lower valuations than North America

Thank you

NEXUS

www.nexusinvestments.com

Invest Thoughtfully®