

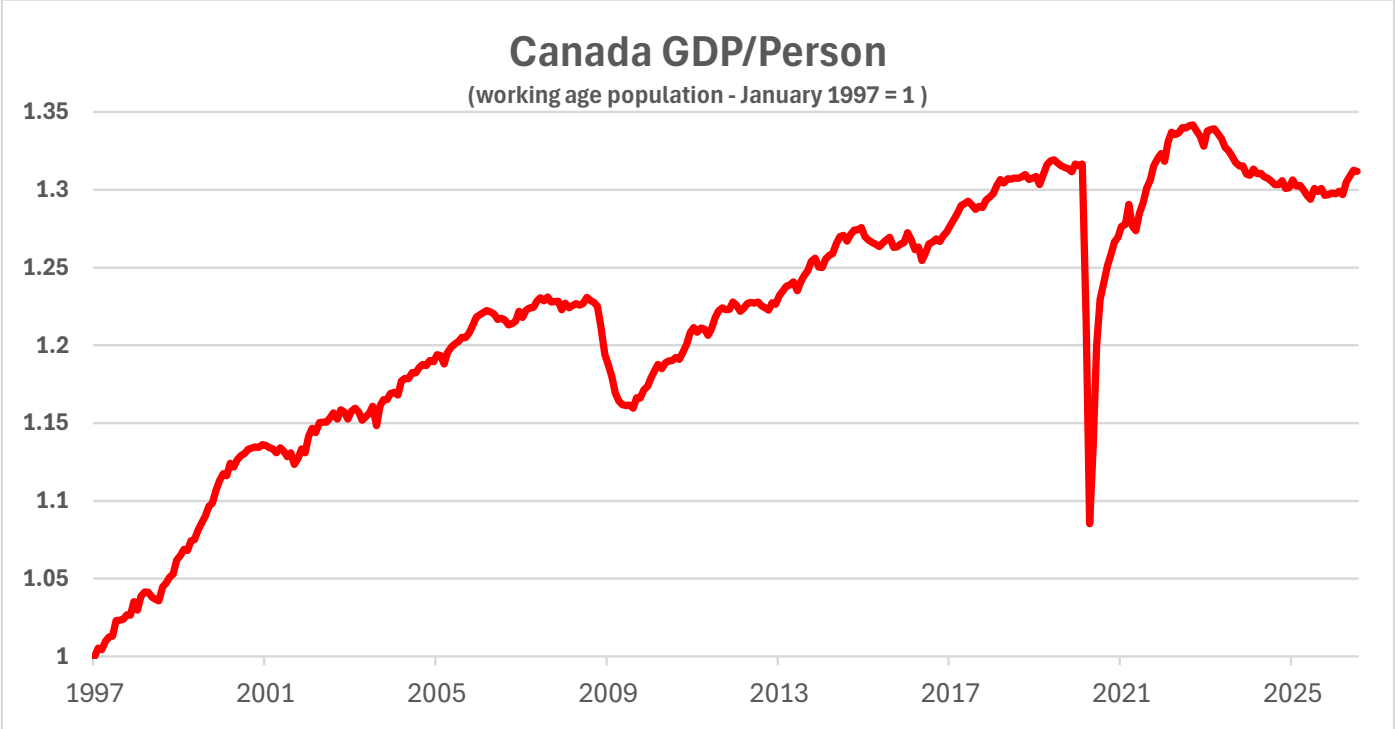
MONTHLY COMMENTARY

November 2026

Alfred Lam, MBA, CFA
Senior Vice-President & Chief Investment Officer
CI GAM | Multi-Asset Management

Richard J. Wylie, MA, CFA
Vice-President, Investment Strategy
CI Assante Wealth Management

Canada's standard of living stagnates.



Source: U.S. Federal Reserve; Bank of Canada

MARKET FOCUS

Economy contracts on a per-person basis.

Statistics Canada announced that, on a monthly basis, real gross domestic product (GDP) by industry contracted by less than 0.1% in July. This followed a brief episode of consistent, *positive* statistics for the April to June period. Regardless, the now mixed results left annual growth at a lethargic 1.4%. Perhaps not surprisingly, public administration experienced a 2.3% expansion over the same 12-month period. As poor as the performance of the broader underlying economy has been, the far more alarming trend



has been witnessed in Canada's standard of living. As can be seen in the accompanying graph, economic output on a per-capita basis (working-aged individuals) has seen declines in 29 of the last 46 months. On this basis, the overall economy has shrunk 2.2% compared to August of 2022. In fact, output per person is now essentially unchanged from April of 2019. In parallel with this soft performance of the broader economy, the job market has similarly struggled. Overall employment plummeted by 68,300 in September, adding to the 41,700 jobs lost in August. The recent declines in employment have left the cumulative losses, thus far in 2026, at 41,200. The September report showed that the working-aged population (15 yrs+) increased by another 23,700 during the month. This combination pushed the participation rate (the percentage of working-age individuals who were either working or looking for work) down to 64.8%, the lowest seen since the pandemic and far below the pre-pandemic peak of 67.3%. This indicates that there are now 878,000 potential workers on the sidelines compared to 95,000 at the end of 2010. A return to 67.3% participation would produce a more realistic unemployment rate of 10.0%—consistent with a recession. This suggests a continued uphill battle in efforts to raise Canadians' standard of living over the near term.

U.S. widens productivity gap vs. Canada.

The U.S. Bureau of Labor Statistics announced that non-farm labour productivity expanded by 1.4% (annualized) during the second quarter of 2026, establishing another new high. This follows a 0.8% advance (on the same basis) in the first quarter. These results paint a stark picture when compared to Canada's extended struggles with efforts to improve productivity. Since the final quarter of 2014 the U.S. has shown steady productivity growth that has resulted in a cumulative 23.6% gain over the period. Conversely, over the same time, Canadian output per hour worked has risen by only 5.3%. Productivity growth is a key competitive advantage. It is important for longer-term economic stability as it allows for a higher standard of living with both higher wages and faster economic growth, all without added inflationary pressures.

.

LONGER VIEW

Recent earnings trends and corporate profit margins suggest that the economy remains in the early stages of a growth cycle, supported by resilient business fundamentals and continued investment activity. At the same time, it is increasingly difficult to dismiss the transformative potential of artificial intelligence. While the pace and magnitude of adoption remain uncertain, we believe AI is a durable secular trend that is likely to have a meaningful impact on productivity, profitability, and economic growth over the long term. This creates a landscape that is rich with opportunities for investors, but one that also carries significant uncertainty as markets attempt to distinguish between near-term enthusiasm and sustainable long-term value creation.

Rising bond yields continue to present a challenge for many parts of the market, particularly sectors that lack strong earnings growth and are more sensitive to financing costs. We expect upward pressure on long-term interest rates to persist, with the U.S. 10-year Treasury yield sitting at 5% or higher in the coming months. In our view, ongoing fiscal deficits and the apparent lack of political willingness to materially reduce government spending will contribute to increased Treasury issuance and higher borrowing requirements, creating a structural backdrop that supports elevated yields even as economic growth remains positive.



ASSANTE
WEALTH MANAGEMENT

For more information, we encourage you to speak to your advisor or visit us at assante.com

The information contained herein consists of general economic information and/or information as to the historical performance of securities, is provided solely for informational and educational purposes and is not to be construed as advice in respect of securities or as to the investing in or the buying or selling of securities, whether expressed or implied. These statements reflect what CI Assante Wealth Management ("Assante"), and the authors believe and are based on information currently available to them. Forward-looking statements are not guarantees of future performance. We caution you not to place undue reliance on these statements as a number of factors could cause actual events or results to differ materially from those expressed in any forward-looking statement, including economic, political and market changes and other developments. Neither Assante nor its affiliates, or their respective officers, directors, employees or advisors are responsible in any way for any damages or losses of any kind whatsoever in respect of the use of this document or the material herein. CI Assante Wealth Management is a registered business name of Assante Wealth Management (Canada) Ltd. CI GAM Multi-Asset is a division of CI Global Asset Management, a subsidiary of CI Financial Corp. CI Global Asset Management is a registered business name of CI Investments Inc. This document may not be reproduced, in whole or in part, in any manner whatsoever, without the prior written permission of Assante. ©2026 CI Assante Wealth Management. All rights reserved. 26-10-1999200(010/26)