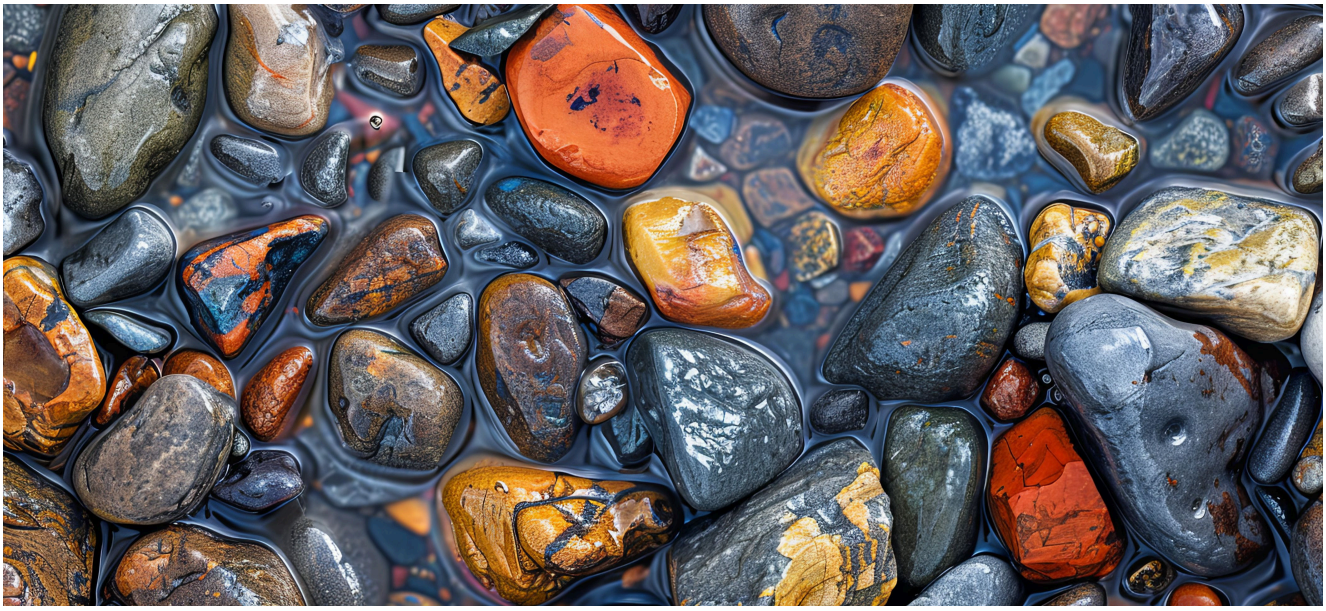
Riverstone Review

iA Private Wealth™

RIVERSTONE WEALTH MANAGEMENT

Fall 2026

Autumn Perspective: Resilience, Opportunity and Innovative Wealth Planning



Dear valued client,

We hope you and your family have had the opportunity to enjoy another beautiful autumn. As the year enters its final stretch, it feels like an appropriate time to reflect

sophisticated planning opportunities available to Canadian investors. While headlines continue to focus on short-term volatility, our attention remains firmly on helping families preserve and grow wealth over decades through disciplined portfolio management and thoughtful planning.

We came away energized and well educated from our firm's national conference hosted in Calgary in September. Subject matter experts provided valuable insight on developments in portfolio management and wealth planning over the 3-day conference.



Share the Riverstone Review with a friend

We look forward to sharing some of our findings with you; particularly as it relates to innovative wealth planning. Examples include **earning extra portfolio income through securities lending**, tools for diversification (from single stock positions) while deferring gains, and bond index funds with a total return structure – i.e. no taxable regular interest income.

Please feel free to reach out any time to schedule a planning meeting, portfolio review or to just reconnect. We hope you are having an enjoyable fall season and look forward to speaking with you again soon.

Three Things To Know This Quarter

1. Wealth planning strategies are becoming increasingly customizable and innovative.

2. AI risk sentiment is being tested in a higher interest rate environment.
Equity index performance remained positive through the quarter, albeit with continued sector concentration and index resilience amidst a selloff in the more volatile AI-related companies. Rising interest rates still weighed on fixed income markets (and gold), while **setting the stage to "lock-in" higher yields** when the trend levels off.

3. Fixed income increasingly attractive for defensive investors.
A heightened fixed income weighting may be prudent for retirement portfolios and / or clients with lower risk preferences / time horizons given the improvement in bond yields relative to equity indexes' earnings yields (i.e. the inverse of the Price to Earnings ratio (P/E)).

US 30-year **inflation-protected Treasury bonds now offer an >3.3% yield above inflation**, which is the highest real yield in over 20 years. Some general market risk metrics are also signaling discretion in a higher interest rate environment.

Reach out to us at your convenience if you would like to schedule a review.

State Of The Market

Equity markets remained positive in Q3 and fixed income challenged by rising interest rates. Interest rates have been buoyed, in part, by geopolitical conflict restricting global trade, big debt issuance by big tech, and price insensitive AI-driven demand (e.g. memory chips, data centre infrastructure) in the face of supply scarcity. Bond investors are also seeking a higher return on capital given sticky inflation, shifting Central Bank treasury purchases, and government deficit spending.

The graph below is of the 10 year US treasury bond yield since 2003 - reaching levels not enjoyed since the mid 2000s.

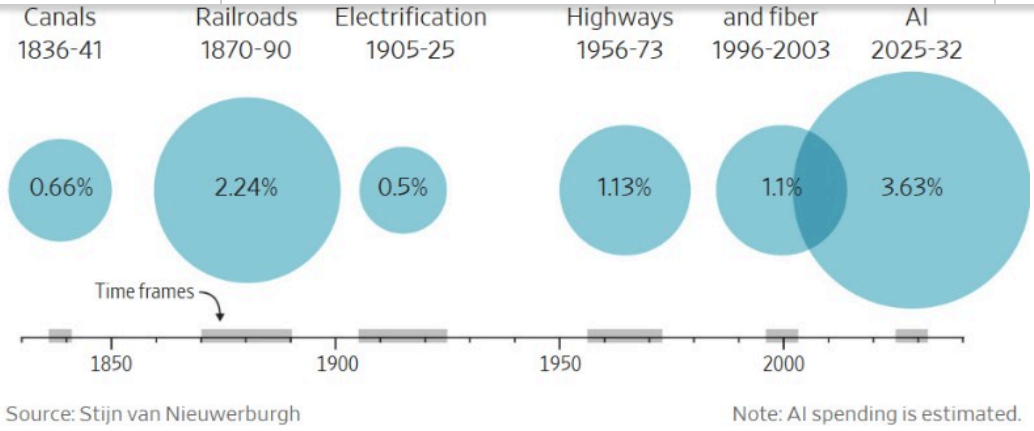


One notable development this quarter was the **sharp pullback in many of the market's highest-flying artificial intelligence companies**. After extraordinary gains over the past two years, investors seem to be more selective regarding the pace of AI spending and expected returns on the enormous capital being invested in data centres, semiconductors and cloud infrastructure. Importantly, **the broader market held up remarkably well through this**, with strength in energy, financials, industrials and healthcare helping offset technology weakness.

Strategic Perspective

Today's investment landscape presents an interesting contrast. **Economic growth is strong but has moderated**, inflation remains above ideal levels, and central banks continue to balance inflation against maintaining economic momentum. At the same time, **earnings growth is exceptional, unemployment remains relatively low, corporate balance sheets remain healthy, and businesses continue to invest**—particularly in productivity-enhancing technologies such as Artificial Intelligence.

Spending on AI infrastructure is projected to reach >3.5% of US GDP in the coming years, which would **represent a higher share of the US economy than the investment in Canals (1836-41), Railroads (1870-90) and Electrification (1905-25) combined** – source https://www.bilello.org.



S&P 500 earnings growth is on pace to be 34% in 2026 and another 15% gain is expected in 2027. We are paying close attention to AI economics and pricing power as this is arguably behind a lot of the earnings growth expectation. The most advanced frontier models may be progressively catering to a narrower market scope, like pharmaceuticals and hedge funds. General tasks are increasingly supported by the more affordable AI models (e.g. open-source), which can be customized and data protected.

Insights & Opportunities

Preserving purchasing power, personalized wealth planning, maintaining liquidity and planning across generations often have more of an impact on long-term outcomes than attempting to make sense of short-term market movements. This quarters' Insights & Opportunities section consequently focuses on valuable wealth planning strategies highlighted at our recent conference.

We profile one individual company, Brookfield Corp, meriting some investment discussion as well.

Wealth Planning Corner

Immediate Financing Arrangements (IFA): For incorporated business owners, Immediate Financing Arrangements (IFAs) continue to attract attention as an advanced estate planning strategy. Properly structured,

Corporate Class Funds: Traditional bond funds generate taxable interest income. Some corporate class bond structures instead seek to deliver a greater proportion of total return through capital appreciation. For

Capital Dividend Account (CDA) available to heirs of private business owners. We work with exceptional internal partners here and can facilitate a meeting to learn more upon request.

maintaining conservative fixed income exposure.



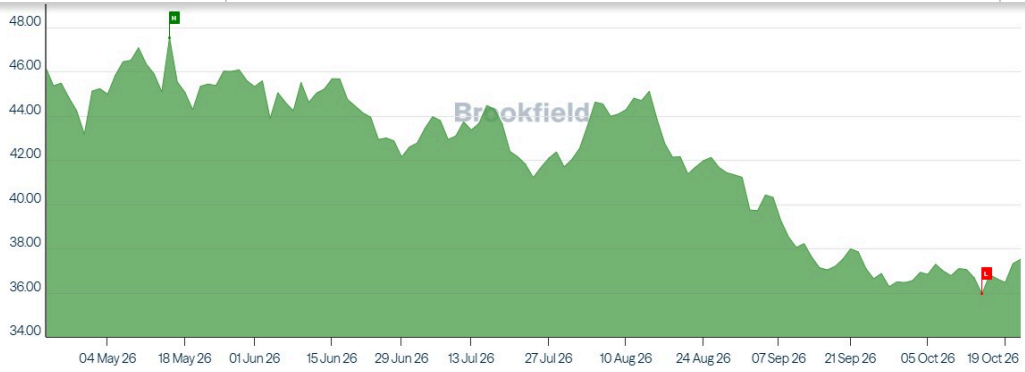
often hesitate to diversify because of significant unrealized capital gains. Certain exchange fund structures allow investors to contribute appreciated securities into a diversified portfolio in exchange for units of the fund, potentially deferring taxable gains while immediately improving diversification. *Image Source:* Purpose Investments



Structured flow-through investments remain an attractive planning tool for certain high-income investors seeking tax deductions while maintaining equity exposure. Modern structures are generally designed to convert ordinary income deductions into longer-term capital gains upon rollover into diversified funds. While these investments involve resource-sector risk and are not suitable for every investor, they can play an effective role within a broader tax planning strategy.

Investment Spotlight - Brookfield Corp. (TSX:BN)

Brookfield Corporation continues to stand out as one of Canada's premier long-term compounders. Its globally diversified portfolio of infrastructure, renewable power, private equity and real estate assets provides exposure to long-duration investment themes that are difficult for most investors to access directly. We continue to appreciate Brookfield's disciplined capital allocation, extensive private market expertise and alignment with shareholders. Brookfield's recent investor day presentation laid out their plan for exceptional earnings per share growth over the next five years, and the recent run up in interest rates has contributed to an opportunistic pullback in Brookfield's stock that is worth having a conversation about.



Joke of the Day:

"Nobody is taking history anymore. There's no future in it."

And In Other Good News...



The Wanderlist - Style Magazine's first-ever digest of the year's luxury travel highlights

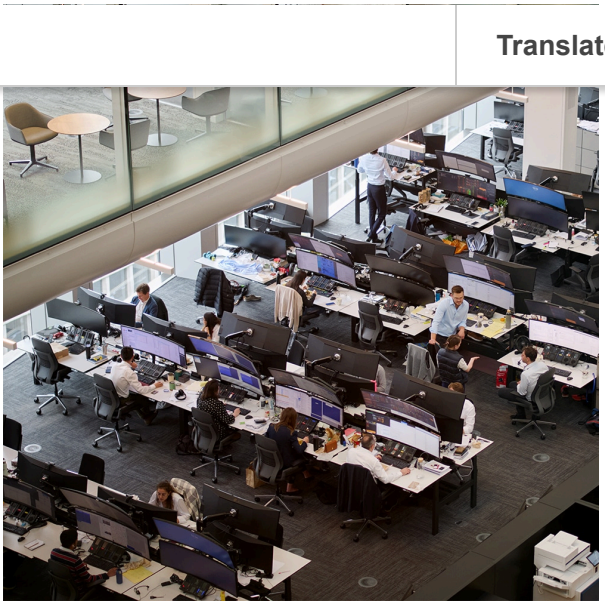
Across the map, upping the ante on private escapes, shifting how much wellness and cultural immersion influence a choice of destination and reimagining the mementoes we collect along the way

Learn More

The Numbers Behind the Bond Bear Market (with a Look at Equities) – Ray Dalio

The legendary all-weather investor walks through his analysis of the supply and

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What every older Canadian should know about: Managing and protecting their assets

There are steps that you can take to manage and protect your income and capital assets.

Read More

Thank you for the continued trust you place in us. We recognize that every portfolio ultimately represents much more than investments— it reflects decades of hard work, family aspirations and future opportunities. It remains a privilege to help steward that capital, and we look forward to continuing the conversation in the months ahead.

Share with a Friend: Riverstone is always open to meeting with qualified new relationships, so please feel free to share this newsletter with a friend, peer or colleague as well.

Sincerely,

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"The best time to plant a tree was 20 years ago. The second best time is now"
Chinese Proverb

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