

RIVERSTONE WEALTH MANAGEMENT

Starting the Year Strong: Investor Insights for an Evolving Market



Dear valued client,

We are pleased to share this new quarterly newsletter as part of our ongoing commitment to keep you well-informed and confident in your wealth management journey. In each issue, we will highlight key market developments, emerging opportunities and potential risks, along with select features on our core investment strategies, timely wealth-planning considerations and a few lighter moments to brighten your day. Think of this as a conversation starter: a way for us to share what's shaping the markets and your portfolio, and to invite deeper, one-on-one discussions whenever you're ready.

We hope you enjoyed a relaxing and fun holiday break with those close to you. Last year was 'dynamic', to say the least, and 2026 seems to be picking up right where 2025 left off. We have a lot to be grateful for however, and Melanie and I wanted to again thank you for your continued trust in us.

iA Private Wealth also closed out 2025 on a positive note with IAG's stock at an all time high. We are now the largest non-bank investment dealer in Canada, after closing the [Richardson Wealth acquisition](#). iA successfully led the Neo Financial Technologies financing with a material upside before the deal successfully closed on December 17th.

Thank you to those that participated and were so responsive right before the holidays. We expect more unique financing opportunities to come this year.

Riverstone Wealth also capped off 2025 with meaningful financial contributions to [Calgary's CUPS](#) and UNICEF Canada. We could not have done so without your support. Please see this quarter's comments on the investment landscape below, and, as always, don't hesitate to reach out if we can help with anything.

Share the Riverstone Review with a friend

State of the Market

It wasn't too long ago that the recent mainstream media headlines would have created more notable equity market volatility than we have seen of late. 2026 nonetheless started off on a positive note for investors with moderate volatility until just recently.

- The TSX posted one of best years in the developed world in 2025 thanks largely to earnings multiple expansion in the Canadian banks, a rally in precious metal companies and Shopify.
- After stealing the show in 2025, gold & silver continue to be well supported in 2026, as investors look for tangible ways to protect nominal wealth (away from fiat currencies) with global sovereign debt levels expanding.
- Bitcoin prices have been flat since selling off >20% in the Fall. Concerns over quantum computing capabilities to "outsmart" the bitcoin algorithm have been a factor here.
- Fixed income markets are stable, although credit spreads continue to be quite tight (i.e. the corporate credit market is rather priced for perfection).
- The principal sentiment drivers still seem to be holding – e.g. accommodative monetary / fiscal policy, massive AI spend and efficiency expectations, deregulation, positive earnings momentum, US GDP growth expectations, etc.
- One interesting trend factor legendary investor Ray Dalio has talked about recently (video link below) is a lack of sellers. Mr. Dalio highlights that most risk assets are held by those that don't need money – i.e. namely the wealthy or institutional funds (with a buy and hold mandate). Mr. Dalio suggests it may take something like a change in the direction of interest rates or a wealth tax (i.e. a need for money) to create relevant selling interest in the market.

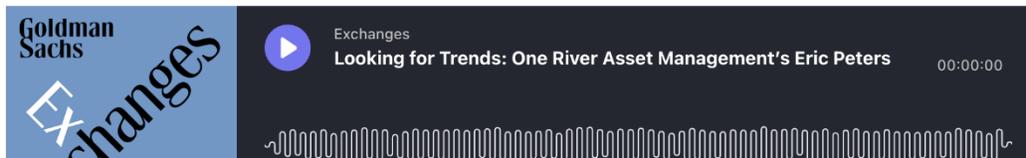
- US economic growth is still a big driver as well. Goldman Sachs' economic team targets >2.5% GDP growth in the US this year (podcast link below). However, some government officials think it could be much higher.
- The All-In podcast episode below hosts US Commerce Secretary, Howard Lutnick, who thinks US GDP could grow by 5% in 2026 and by 6% if the Fed keeps cutting interest rates. That represents >US \$1.5 trillion of GDP growth in 2026 on a US\$30 trillion economy.
- Another relevant factor in the subdued volatility story is the rise of algorithmic trading volume in markets – now estimated at >50% of all trading volume.
- Capital flows feel like they are shifting healthily as well - with mid-cap indices and the Russell 2000 small cap index outperforming the Nasdaq by ~3% over the past 3 months.

Strategic Perspective

- We remain optimistic but attentive to key risk measures as the foreseeable trend remains positive.
- As per the Outlook 2026 podcast below, Goldman Sachs is calling for modest double-digit growth for equities again this year.
- Underlying systematic risks and valuation considerations are genuine. Many of the geopolitical, sociological, economic and other systematic risks are obvious, but others are not.
- A more proactive and adaptive approach is consequently prudent, although underestimating the positive economic & technological forces of today is also a risk.
- Valuations are high. Although, again, this does not traditionally call for a change in trend. It can just make one more pronounced.
- It should also be a very active year on the IPO front with numerous sizable private companies anticipated to go public this year – e.g. Anthropic, OpenAI, SpaceX, etc.
- Lastly, 2025 capped off with the retirement of Warren Buffett from the CEO role of Berkshire Hathaway, although Mr. Buffett remains as Chairman. His folksy wisdom will be sincerely missed. On the positive, the new Berkshire CEO, Greg Abel, is an Edmontonian.

Context & Considerations

[This podcast with macro investor Eric Peters](#) is an interesting listen for anyone looking for a unique perspective on persistent market trends. Mr. Peters addressed the notion of “Reflexivity” in markets, which was popularized by legendary investor George Soros, and how this may be relevant today. Reflexivity is the theory that a two-way feedback loop exists between investors' perceptions and underlying economic fundamentals, where one influences the other in a self-reinforcing pattern.



Reflexivity Example in Real Estate

1. **Initial Trend:** Cheaper credit makes borrowing easier.
2. **Reflexive Loop:** Increased borrowing raises real estate values, making owners seem more creditworthy, leading to even more credit and higher values.
3. **Misconception:** The belief that real estate values are independent of credit availability.
4. **Reversal:** When the loop weakens or reality bites, forced selling drives values down.

The Riverstone Playbook

- Stay invested with a diversified portfolio of wealth creating assets, aligned with your individual long-term objectives.
- Risk management qualification within asset classes is important at this market cycle stage and will be increasingly valuable as we mature through the cycle.
- Examples of key risk metrics include an expected change in central bank accommodation (i.e. higher interest rates), geopolitical events, and even Nvidia's share price itself.
- Nvidia is larger than the stock markets of Germany, France and the UK, and larger than nearly every national market except those of the US, China, Japan and India

- Opportunities will continue present themselves in changing market environments – e.g. old economy companies benefiting from AI efficiencies, shift to value, lithium / potash markets retightening, emerging markets, etc.
- We have good tools in the toolbox if the risk sentiment pivots as well – e.g. tax conscious short-dated bonds (issued when rates were low), principal-protected notes, auto-callable notes, robust market neutral funds, real assets, low volatility strategies, etc.

Insights & Opportunities

- This Gordon Pape article ([Are Low Volatility Funds A Good Option In Turbulent Markets](#)) highlights one of our core low volatility equity strategies as an example of a risk managed approach to equity investing in a mature market.
- Several attractive sectors experienced a challenging year in 2025 and have compelling valuations as a result. Healthcare, mid and small cap, non-AI related technology companies, and other knowledge-based companies that investors fear AI may upset their business models are examples. Many of which have historically been exceptional long-term compounders with high return on equity and low capital requirement business models – e.g. the major debt rating agencies and software as a service (SAAS) companies.

And In Other Good News...

Goldman Sachs
Exchanges: Outlook
2026 Episode 1: The Big
Picture.

Learn More

Bridgewater founder Ray
Dalio: We are definitely
in a bubble, but that
doesn't mean
you should sell.

Watch Now

All-In Podcast with
Howard Lutnick - How
America Can Hit 6%
GDP Growth in 2026

Listen Now

Brookfield launches its first private equity fund tailored to individual investors in Canada.

[Learn more](#)

Goldman's Hatzius and Snider on the Outlook for 2026.

[Listen Now](#)

NEO CEO: “Fintechs are giving Canadians choices, but we still need more banking competition”

[Learn More](#)

Thank you again for your trust and support. We look forward to connecting with you again soon, although, as always, please don't hesitate to reach out if we can be of any assistance.

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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"Do you know what the best-selling candy bar was in 1962? Snickers. And do you know what the best-selling candy bar is today? Snickers."

Morgan Housel recounting a conversation with Warren Buffett during the 2009 financial crisis. When asked how the economy would recover, Buffett responded with this simple analogy about consistency.

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