

## Trick or Treat – Sorting the Sweet from the Stale in Your Portfolio

It's Halloween—the **FAANGs** are out with earnings, a **CAT** has sprung high to take the lead in the Dow, and precious metals investors are feeling a little **spooked** this week.

I always enjoy crafting client newsletters around holidays or special occasions. It makes discussing investments and wealth topics a little more fun when we can blend in some seasonal analogies.

### MPA Portfolio Performance

This year, the MPA portfolio is having another amazing run. While stock markets are hitting new highs, the portfolio is outpacing those gains for the second year in a row. And while strong performance is always exciting, I continue to manage risk carefully—taking profits along the way and reigning in the size of some positions. It reminds me of trying to yell ahead to my son when he was younger and trick-or-treating. He'd sprint ahead of the group to fill his pillowcase with candy, and I'd constantly call him back to slow down. Eventually, as the night wore on, he'd tire and settle into a more reasonable pace. **I suspect the markets may do the same—coming down from their sugar high and returning to a more normal rhythm.**

### Candy Sorting and Portfolio Management

That candy sorting is a lot like how your portfolio is managed. In times like these, I'm happy to let investments run ahead—but I also know when to call them back. Whether it's the end of the week or the month, I'm constantly reviewing positions, taking gains off the top, enjoying the rewards, and continuing to look for new opportunities. At the same time, I'm ready to dispose of investments that no longer suit our taste. If something's gone stale—like old Halloween candy—it's time to toss it.

## FAANG Earnings Recap

This week, the original **FAANG group**—**Facebook** (now Meta), **Apple**, **Amazon**, **Netflix**, and **Google** (now Alphabet)—reported earnings. As you know, we don't own all of these companies in the portfolio. We typically rotate among a few, depending on valuation and risk. **Fortunately, our holdings delivered treats rather than tricks!** Alphabet and Amazon both jumped more than 10% after earnings. We avoided Meta and Netflix, which fell more than 10%. Apple opened higher after its earnings release, but settled down after investors—**like kids tossing the apple from their treat bag**—weren't overly interested in what Tim Cook had to say!

Netflix is a company we previously owned, making a handsome profit after its 2022 decline. I took profits a bit early and missed part of the 2025 run-up. But its recent sharp decline shows that even “can't lose” companies eventually go stale. Netflix announced a 10-for-1 stock split—a move that reduces the price per share to attract more investors. Some believe stock splits always lead to gains, but they don't change the company's fundamentals. It's **like breaking up a giant Hershey's bar** into squares to share—more people can enjoy it, but it's still just one chocolate bar.

## A CAT Pounces

**Caterpillar** (CAT) pounced 12% after reporting earnings and revenue well above expectations, making it the best year-to-date performer on the Dow—even ahead of Nvidia. We've held CAT in the portfolio to benefit from increased demand in mining and materials, but investors are now realizing it's also riding the AI boom. Power generation is a key component for tech giants building AI data centers. While we have direct exposure to common AI names, we're allocating more to companies like CAT for dual-purpose exposure.



## Gold & Silver Update

Many of you have been investing in gold and silver with me for over 20 years. The recent surge in gold—breaking through \$4,000 and rising \$100 a day to peak at \$4,400—was a sight to behold. I took profits around \$4,250 a couple of Fridays ago. You still have significant exposure, and I believe there's more upside ahead, but it was prudent to take some gains and be ready to buy back if prices dip.

Silver, meanwhile, broke through its all-time high of \$50 per ounce just over a week ago. It's used in industrial, medical, and tech applications, and global supply is said to be much lower than gold. Some strategists believe silver is the most heavily suppressed metal over the past 20 years. While hard proof is elusive—**like ghost sightings**—if the storyteller is someone you trust, you tend to believe. I've heard enough credible tales to believe that if silver crosses \$50 again with momentum, we could see a short squeeze that sends prices flying like a silver bullet.



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## Werewolves and Silver Bullets

Many strategists doubted gold and silver for years. They said gold was too high at \$2,000, then again at \$3,000. Now, with gold at \$4,000 and silver at \$50, they might finally be right—at least for a temporary pause. These skeptics have **circled the metals like werewolves in the woods**, scaring investors away. But lately, we've seen lineups in Australia and Asia of people eager to buy gold and silver. **Folklore says the only thing that can defeat a werewolf is a silver bullet.** After a short pause, I believe that silver bullet will take out the werewolves—and many of those top callers will become cheerleaders as prices rise.

## Looking Outside North America

I rarely invest outside North America, as most of the world's best companies are here in Canada and the U.S. **But like siblings bartering candy after trick-or-treating,** global trade deals are shaping a strong outlook into 2026.

Our most recent addition is a **Fundamental Japanese Index ETF**. Japan's market is breaking highs not seen since 1989, following the election of new Prime Minister Sanae Takaichi and fresh trade agreements with the U.S. It's a new dawn for Japan, and we're holding a position to benefit from this new era.

As we exit October, I know the **media is full of scary headlines**—wars, tariffs, politics—that make investors fear their gains will vanish. I expect a mild pullback soon. But rest assured, **this Halloween I've tossed out the junk candy, kept the healthy treats, and we're still enjoying oversized chocolate bars and big bags of chips in the portfolio.**

Take care and enjoy the evening!

**Trick or Treat!**

Ryan, Jocelyn and Brittany

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