

Managed Portfolio Account Performance Summary - 2025

Coming off an exceptional year for client portfolios in 2024, I thought it would be helpful to recap how we navigated 2025, another year where portfolios outperformed their benchmarks while taking less downside risk. From there, we'll look ahead to the bigger picture and how I'm positioning for 2026.

Let's start with where things stand right now.

Fast Out of the Gate in 2026!

In the first 15 days of January, the broadly-held **Balanced MPA Portfolio is up 6.15%**, and the **MPA Growth Portfolio is up 6.6%**, both ahead of major North American markets:

- **TSX:** +4.15%
- **Dow Jones:** +4.26% (in CAD)
- **S&P 500:** +2.81% (in CAD)

So far, so good, and continuing the strong momentum from 2025 helps set up yet another strong year.

The "market" is a funny thing. It often rises when you think it should fall and falls when you'd expect it to rise. Human emotion plays a major role in investment decisions. When things finally *feel* comfortable, it's usually late in the opportunity cycle. The past 12 months gave us several reminders of this, and based on how 2026 has started, I expect we'll see more.

Instant Replay: 2025

Last year didn't finish the way most people expected, especially given the mood in the depths of winter and the tariff uncertainty dominating headlines. By April, fear had reached levels not seen in years.

Even the **Easter Bunny** felt the pressure, with cocoa prices facing massive tariffs of 10–25%. U.S. chocolate prices were estimated to be 30% higher by Halloween according to CNBC. Headlines moved so quickly that many people missed the fact that *most* of those original tariffs changed. For example, by November 14th, cocoa, coffee, and many imported fruits were exempted from tariffs.



Image created with CoPilot

Why does this matter?

Because April, when things *felt* the worst and could only go lower, it ended up being the best buying opportunity of the year. And as 2025 wrapped up and things looked “okay again,” geopolitics heated up, headlines turned negative, and tariffs reappeared. This ebb and flow creates opportunity, and the plan is to take advantage of it again. As you can see below, during a year of great uncertainty, all client portfolios performed great!

2025 MPA Portfolio Returns vs Benchmark Returns

In 2025 the **Balanced Model Portfolio** returned **18.75%** and the **Growth Portfolio** was up **20.70%**.

The range of clients returns in both models varied depending on personal situation and cashflow but landed in a range of **17.00% - 18.75%** consistently for the two balanced portfolios' and **19.5% - 20.70%** for the growth portfolio. These returns are all “net/after” of fees.

- **The Balanced Portfolio benchmark** measured by 30% Toronto Stock Exchange, 30% S&P500, and 40% invested in the All-Canada Bond Index **was up 14.24%**, before fees.
- **The Growth Portfolio benchmark** measured by 40% Toronto Stock Exchange, 40% S&P500 and 20% All-Canada Bond Index **was up 18.10%**. This would also be before fees.

Therefore, even clients who had reduced returns due to cashflow considerations, still **maintained to nicely beat the market benchmarks in 2025.**

Time-weighted rates of return as of December 31, 2025

Period 2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly rates of return (%)	3.68	-2.89	-1.55	-0.47	4.74	3.26	1.59	1.08	7.40	1.63	0.27	-0.97
Compound year to date rates of return (%)	3.68	0.68	-0.88	-1.35	3.33	6.70	8.40	9.57	17.68	19.60	19.91	18.75

An example of how the Balanced Portfolio held up:

As shown in the chart above, the **Model Balanced Portfolio** fell **-4.91%** from February through April.

Compare that to:

- **TSX:** down -2.70%
- **Dow Jones:** down -7.80%
- **S&P 500:** down -11.12%

At the worst point on April 7th:

- **TSX:** was down -11%
- **Dow:** was down -17.8%
- **S&P 500:** was down -20%
- **Model Balanced Portfolio:** was down -10.7%

The prior details illustrate:

- **Risk management worked.**
At ~60–65% equities, the Balanced Portfolio behaved exactly as expected, capturing about 65% of the market's decline.
- **Tariff panic hit U.S. markets hardest.**
This becomes important later when looking at opportunities for Canadian markets going forward.
- **The recovery mattered just as much as the decline.**
Rebalancing into weakness and adjusting positions through the year helped the portfolios finish several percentage points ahead of benchmarks.

“Silver and Gold, Silver and Gold...”

I couldn't end the 2025 Instant Replay summary without touching on the price movements to end the year in the precious metals, especially Silver!

As December rolled on, I kept catching myself humming “Silver and Gold” from the 1964 animated classic **Rudolph the Red-Nosed Reindeer**. Though famously sung by Burl Ives as Sam the Snowman, many remember it as Yukon Cornelius's tune as he tosses his pickaxe in search of treasure, the silver and gold he never quite managed to find!

“Silver and Gold, Silver and Gold, everyone wishes for silver and gold. How do you measure its worth, just by the pleasure it gives here on earth.....silver and gold, silver and gold.....”

In my March newsletter (“**The Golden Age**”), I emphasized the importance of gold and silver exposure and my intention to increase the combined allocation toward **10%** to help “preserve wealth.”

I did just that, with **Gold bullion** increased to ~6% and **Silver bullion** from 1.5% to over 3% of the portfolio.

Silvers' surge got going late summer, rising from **\$36 in August** to **over \$70 by year-end**, and has since pushed above **\$90**.

Gold rose from **\$3,000** when I wrote that newsletter to around **\$4,600** today.

This strength has meaningfully boosted portfolio returns. I continue to maintain a **10% allocation** to precious metals bullion, even while I do expect price volatility in 2026.

Silver could briefly retreat into the \$60–\$70 range after such a parabolic rise. Structurally, this remains an important hedge and long-term opportunity, especially in a world full of geopolitical uncertainty, on top of massive industrial demand.

What Lies Ahead in 2026?

A common question I'm hearing from clients: **"Is a market crash coming, or can this keep running?"**

This is normal after three solid years of returns, especially when they are like those we have seen recently. But right now, **markets remain broadly healthy**, with **substantial capital flowing into AI infrastructure, data centers, reshoring industries, and critical minerals** in both Canada and the U.S.

The AI boom alone has the U.S. and other countries scrambling for minerals needed to stay competitive. This directly benefits Canada, which **helped the TSX gain over 31% in 2025**, outpacing the S&P 500's nearly **18%** rise (12.28% in CAD).

Canada's stock market is benefiting from much that is happening south of our border. The greater the push for AI dominance in the U.S., the better our stock market will do, as it is made up of the companies that provide the critical minerals and metals needed. This push has also instigated the Ontario Governments' support for the development of many companies to advance more metals and materials, which helps grow our economy.

More recently, the situation in Venezuela has raised questions about potential negative impacts on Canada's oil sector. But so far, the "market" is telling a different story, with **Suncor up 13% already this month**, despite an initial sell-off. I would believe **this suggests investors expect renewed focus on Canadian energy, not weakness.**

As I mentioned at the beginning of this letter, when we think things should go down, they tend to go up, and so we need to focus on what is actually happening with the market, not what headlines try to predict.

For 2026, that will be my focus. Drown out the rapidly changing headlines, use any uncertainty to our advantage, and stay focused on what the market is telling us, not what the media is!

Here's to another strong year, staying focused on all the opportunity, but ready for the unknown.

Cheers!

Ryan, Jocelyn and Brittany

Tax Season Reminder:

One last note, is a reminder that investment tax slips can take **until late March or early April** to arrive in the mail.

As well, if you have in the past provided us with **your Accountant's information**, we create duplicate tax slip and tax report packages to them to be sure they have copies of all your information.

If you have changed accountants this year, please let us know.

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