"March Madness"

MPA Client Update – March 31st, 2026

Looking outside the Key

March Madness felt suitable for a performance summary theme with all that is going on in the world right now.

In sports, **March Madness** is the popular nickname for the NCAA Division 1 Men's Basketball Tournament, a single-elimination playoff that crowns the national champion in U.S. college basketball. The tournament style brings fans together as there is a lot of action, and always an upset or two during the tournament. This year didn't fail the fans, with No. 2 seed Uconn's last-second stunner over No. 1 Duke.

The Final Four is scheduled for April 4th, and the final on April 6th, hosted at Lucas Oil Stadium in Indianapolis. Interestingly in a month where Oil prices are skyrocketing, the March Madness tourney will end within a stadium sponsored by an Oil company! With the rumors out this week, maybe we will have a ceasefire and the US and Iran will be working towards de-escalation that same weekend.

The "Key" to successful investing is always looking at the bigger picture, stepping back to analyze where we have come from and where we are going. In basketball, most of the action happens inside the Key, the painted area that extends from the baseline below the basket to the free-throw line. But in relation to the full court, the key is 304 square feet out of a total court size of 4,700 square feet. That's only 6.5% of the area the ball travels over the course of a game. What happens inside the key gets the most attention, but the plays are developed and begin way back on the other side of the court.

When investing, we always get a statement that shows the value of this month vs last month, drawing our attention to a narrow timeframe, essentially focusing only on the action inside of a one-month box, that is only 8.3% of the total calendar year. Not unlike focusing on the action inside the Key, we fail to miss what's developing over time if we only pay attention to a small area of time.

A summary of the first Quarter of 2026:

The market has been volatile, and 2026 has echoed the experience of early 2025. A quick start to both years was erased by different levels of uncertainty, but large enough to shake investors confidence. Yet, the portfolio is holding up again. March statements are not going to look great when only focusing on the recent months performance but stepping back to see how the “full game” is going, we are leading after the first quarter.

The Month of March saw a decline of approximately -2.80% - 2.90% for a majority of MPA client’s portfolios. The Growth Portfolio’s were down similarly. This is compared to the following market declines:

- Toronto down -4.58%
- S&P 500 down -4.63% (-2.89% in CDN $)
- Canadian All Government Bond Index down -1.97%

A combined benchmark of these indices (30% TSX/30% S&P500/40% Bonds) would have produced a decline of approximately -3.03%, showing the MPA portfolio held in better than the benchmark.

How do things look Year to Date (Jan – March 2026)?

Year to date the **MPA Balanced Portfolio is up approximately 1.25% - 1.30%,** and the **Growth Models are up 1.90%.** In similar comparisons to above:

- Toronto is up 3.33%
- S&P 500 is down -4.63% (-2.91% in CDN $)
- Canadian All Government Bond Index is up 0.23%

A combined benchmark of these indices (30% TSX/30% S&P500/40% Bonds) would have produced an increase of approximately 0.22%, showing the MPA portfolio is outperforming the balanced index weighted benchmark quite significantly considering the MPA return is net of fees, and its only 3 months into the year.

Another way at looking at performance would be to talk dollars. For every $500K invested in the MPA portfolio, **clients’ growth is $6,500 to $9,500 this year** so far (after the March decline) as **compared to the benchmark index providing $1,100 growth**.

That difference is the value of active management, especially during volatile times.

Expanding the View: Looking at it from a far in the Cheap Seats

While it's good to review near-term performance, as that is where our focus is, I want to illustrate a few more examples of how the **<u>Markets are doing vs the Portfolio</u>** and even throw in a few of the most talked about (and owned) stocks and how they have faired over time. We don't hold some of the largest market weighted companies in the portfolio, and that is okay as you will see it is the combination of the "team" of players (various stocks) that contribute to a great season for your portfolio. The last-minute buzzer beaters create excitement and news, but slow and steady basket approach is what works best.

- The **S&P 500** is at the same level as it was on Sept 5th, 2025 (while MPA portfolio is **up 7.54% since**)
- The **Dow** is at the same level as it was on Sept 19th, 2025 (while MPA portfolio is **up 4.26% since**)
- The **Toronto Exchange** is at the same level it is was on Jan 12th, 2026 (MPA down 3.78% since)

- **Microsoft** is at the same price as it is was April 23, 2025 (while MPA portfolio **is up 24% since**)
- **Nvidia** is at the same price as it is was July 25, 2205 (while MPA portfolio is **up 11.37% since**)
- **Apple** is at the same price as it is was Sept 22, 2025 (while MPA portfolio is **up 3.49% since**)
- **Netflix** is at the same price as it was April 15, 2025! (while MPA portfolio is **up 25.17% since**)

***These returns are based on the Balanced MPA Model portfolio values and all clients' portfolios are within a tight range of these returns, depending on each clients' cash withdrawals and additions).

D-Fence vs Offence: Remainder of the Game

While we don't know how the Iran War will play out, I am prepared for it to go into over-time. The portfolio is being very actively managed through this period. Not unlike a basketball playoff game, you often need to rotate the players in and out of the game and not let key players get exhausted. I approach the portfolio similarly. Companies that were doing well may not be attractive with the change of situation and war, while others benefit. The news can change on a tweet as we all know, and I am ready to switch from "D-Fence" to Offence and already have started to do so. If I was a betting man, I would put money on Polymarket to wager a bet this year will be full of emotion, which challenges the best of investors. I do think that as we end 2026 and look back, we will be successful and churn out a fair return and do it while focusing on reducing risk and downside.

Please reach out at any time.

Thank you for your ongoing trust!

Take care,

Ryan, Jocelyn and Brittany

Disclaimers:

The opinions, estimates and projections contained herein are those of the author as of the date hereof and are subject to change without notice and may not reflect those of BMO Nesbitt Burns Inc. (“BMO NBI”). Every effort has been made to ensure that the contents have been compiled or derived from sources believed to be reliable and contain information and opinions that are accurate and complete. Information may be available to BMO NBI or its affiliated that is not reflected herein. However, neither the author nor BMO NBI makes any representation or warranty, expressed or implied, in respect thereof, takes any responsibility for any errors or omissions which ay be contained herein or accepts any liability whatsoever for any loss arising from any use of or reliance on this report or its contents. This report is not to be construed as an offer to sell or a solicitation for or any offer to buy any securities. BMO NBI, its affiliated and/or their respective officers, directors or employees may from time to time acquire, hold or sell securities mentioned herein as principal or agent. BMO NBI will buy from or sell to customer securities of issuers mentioned herein on a principal basis. BMO NBI, its affiliates, officers, directors or employees may have a long or short position in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. BMO NBI or its affiliates may act as financial advisor and/or underwriter for the issuers mentioned herein and may receive remuneration for the same. A significant lending relationship may exist between Bank of Montreal, or its affiliates, and certain of the issuers mentioned herein. BMO NBI is a wholly owned subsidiary of the Bank of Montreal. Any U.S. Person wishing to effect transactions in any security discussed herein should do so through BMO Nesbitt Burns Corp. Member – Canadian Investor Protection Fund

The calculation of performance data set forth herein has been prepared by the author as of the date hereof and is subject to change without notice. The author makes every effort to ensure that the contents have been compiled or derived from sources believed to be reliable and contain information and opinions, which are accurate and complete. However, BMO Nesbitt Burns Inc. (“BMO NBI”) makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions which may be contained herein and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents

BMO Private Wealth is the brand name for a business group consisting of Bank of Montreal and certain of its affiliates, including BMO Nesbitt Burns Inc., providing wealth management products and services.

All information is based on sources that we believe to be reliable, but is not guaranteed by us, may be incomplete or may change without notice. The comments included in this document are general in nature, and investment advice regarding an individual’s particular position should be obtained from their Registered Representative or Investment Adviser Representative.