

Clear Skies Ahead MPA Client Update – August 13th, 2026

It was March 31st when I last provided a formal update. Typically, I will try to write my commentaries around periods of time that feel **cloudy**, to be sure that everyone is informed during times of uncertainty.

In my "[March Madness](#)" update, the message was simple: market volatility is not the same as a market collapse. We focused on the full court rather than just the action under the basket and inside the Key, recognizing that short-term headlines often distract from the bigger picture. Staying disciplined through that period proved valuable, as the recovery that followed was swift and strong.

As it turns out, March 31st marked the beginning of a sharp reversal. In hindsight, much of the market fear had already peaked.



The Summer Doldrums: Or is it?

Following a strong recovery in April and May, where portfolios gained nearly 9% in just two months, June and July then delivered the type of pullback that often makes investors question whether momentum has disappeared. Yet less than a week into August, much of that decline has already been recovered.

Earlier this year I suggested 2026 would likely be driven by emotion rather than fundamentals. That continues to be the case. While the path has been volatile, my view remains that when we look back at this year, 2026 will likely be remembered as another solid year for long-term investors.

So how are you doing?

Year-to-Date Performance (net of fees)

MPA Portfolio	January to March 31	January to August 10
Balanced Clients	Up 1.25% - 1.30%	Up 8.75% - 9.00%
Growth Clients	Up 1.80% - 1.90%	Up 11.70% - 12.00%

Considering that balanced and growth investors should expect roughly 7%-10% returns during strong years, 2026 remains very much on track, and significantly better than where we were as of the end of March.

What's been causing the volatile environment?

July brought a short-term top to the massive “**everyone in the pool**” rally that occurred in the **AI and Memory stocks**. Declines from peak levels in June for many companies came close to 40%, with well known companies like Intel and Micron a part of the storm. Anytime you see a parabolic move up in an asset, you just need to be patient as there will eventually be a trigger that brings them back down from the clouds. That trigger showed up in time for a mid-summer decline, that impacted more than just two companies and had a broad impact to markets in July.

Last week we found out that a lot of the late-July selling pressure came from a hedge fund called **Situational Awareness LP**, which had built a highly leveraged portfolio of AI infrastructure companies while betting against software companies. The fund was making a bet on the market only favouring the AI buildout companies and punishing the “old” software companies. This wasn't a lone wolf trader, with offside views of AI that caused its' eventual demise. **It was the use of leverage**, which some report got to be as high as 400%! I find it comical that the hedge fund was literally called “Situational Awareness” and clearly, they weren't aware of the risk of their situation!

Multiple reports said the fund had lost approximately 67% of its value in July, and large banks were making margin loan calls forcing further liquidation. In the end, we found out the details after the fact, when Citadel (another large but tenured Hedge Fund) swooped in and bought out most of the losing funds equity portfolio.

The forced selling did provide an opportunity for you however, in that I was able to initiate positions last week in **Intel** and **Arm Holdings**, both chip and compute companies that fell nearly 40% from the highs just weeks prior.

What is becoming clearer?

For years, I've discussed the growing importance of Bitcoin, digital assets, and the evolution of digital payments. In fact, my first client report on the subject was published in July 2017 and titled *"Bitcoin and Crypto Currencies: Fad or for Real?"* Nearly a decade later, adoption has grown significantly, yet most investors still have only a limited understanding of how digital assets may ultimately reshape the financial system.

In my view, the next three years will bring more progress and adoption than the last ten combined.

The U.S. took a major step forward with the passage of the **GENIUS Act** in 2025. Attention has now shifted to the **Clarity Act**, legislation designed to establish a more comprehensive regulatory framework for stablecoins, cryptocurrencies, and digital asset companies. While the bill has faced delays, momentum appears to be building toward renewed debate this fall.

The name "**Clarity Act**" is fitting. Markets generally embrace certainty, and this legislation would provide much-needed rules of the road for digital assets. I believe its eventual passage is likely, particularly given the significant investments that financial institutions and technology companies have already made in preparing for the next generation of payment infrastructure.

Within the portfolio, **Circle** is one of the companies most directly tied to this theme. Circle is the creator and co-owner of **USDC**, one of the world's leading U.S. dollar stablecoins, and has developed the **Arc blockchain**, a network designed to facilitate digital payments, support tokenized assets, and host next-generation financial applications. Companies such as Visa, Mastercard and Blackrock are integrating Arc into their systems.

Simply put, **USDC is the digital dollar, and Arc is the highway that dollar travels on.** As regulation becomes clearer and adoption increases, I believe digital assets could follow a path similar to when the internet and email moved from niche technology to everyday utility much faster than many expect.

I'm not that old.....really!

To put this into perspective, think back to the early days of the internet. In the mid-1990s, most households didn't have email, and internet access was limited to slow dial-up connections. Within just a few years, email transformed how people communicated, and business was changed forever. *(As I write this, I feel as though my grandfather is telling me about the first TV the family ever bought, yet it's not all that long ago! ☺)*

I remember that period well. While attending university in Arizona in 1996, my school had just opened a computer lab and was rolling out email access. At the same time, my dad was working at Telus and received one of the company's early employee email accounts before the service was widely available. Looking back, it's remarkable how quickly communication evolved between my first semester and graduation. When I arrived, friends and family still wrote me letters. A few years later, email had become part of everyday life.

The investment parallels are equally interesting. As people embraced the internet, capital poured into anything tied to the theme, eventually creating the telecom and fibre bubble that burst in the early 2000s. The lesson wasn't that the internet was a bad investment. Quite the opposite. The technology changed the world, but investor enthusiasm temporarily got ahead of reality.

I believe digital assets, AI, robotics, and next-generation infrastructure may follow a similar path. The technologies are real, adoption is growing, and the long-term potential is significant. The challenge, as always, will be separating the lasting winners from the inevitable periods of speculation along the way.

“Skies” the limit, or is it?

Today, we're seeing the rapid adoption of technologies that seemed futuristic only a few years ago. AI tools like **ChatGPT** and **Grok** have already changed how people access information, but I believe (as many do) we're still in the early innings of a much larger transformation.

Take **SpaceX** as an example. What I like about this investment is that **I can finally say you own a company that could literally go to the moon!** My compliance team would normally make me remove any reference to a "moonshot" investment, but in this case, getting to the Moon, and eventually Mars, is actually part of the business plan 😊



Source: Photo by SpaceX on Unsplash

More importantly, SpaceX is far more than a rocket company. It generates revenue from launch services, **Starlink's** rapidly growing satellite communications network, and its **expanding AI** and technology initiatives, via XAI. Together, these businesses are helping reshape how people connect, communicate, and access technology around the world. The future is exciting, and it's one reason I've been building positions in the company for client portfolios this summer.

Another area benefiting from this technological shift is the **drone sector**. While most people think of consumer drones, the real growth opportunity lies in commercial, industrial, and defence applications. One company in the portfolio, **Ondas**, has evolved from a drone manufacturer into a developer and operator of advanced drone and autonomous systems used for monitoring, security, and defence applications. As demand for automation and autonomous technologies grows, this is another industry that could see significant expansion over the coming decade.

Finally, there's **Tesla**, a company that I view less as an automaker and more as a robotics, artificial intelligence, energy, and autonomous transportation company. While Tesla and SpaceX remain separate businesses today, their technologies and long-term visions continue to overlap in interesting ways.

The most exciting development, in my view, is Tesla's **Optimus humanoid robot**, which is expected to begin commercial rollout over the next few years. At the same time, **Robotaxi** services are gradually expanding, with Tesla taking a deliberate, safety-first approach to deployment. Both initiatives have the potential to reshape how people work, travel, and interact with technology.

It's not difficult to imagine a future where autonomous vehicles operate around the clock and household robots help with everyday tasks. While that may sound like something out of **The Jetsons**, many of the underlying technologies are already being tested today. And who knows? One day soon an Optimus robot may be mowing your lawn. The bigger question might be whether you'd pay \$20 for the service, or \$100 just to watch it happen for the first time. I know which one I'd choose!

Whether it's digital assets, AI, autonomous systems, robotics, or space-based technology, the common theme is that innovations once considered science fiction are becoming reality. It's an exciting time to be an investor.

What Should We Expect This Fall?

I continue to believe we are not heading into a market crash or economic crunch. This year has already delivered several 3% to 5% pullbacks, a 10%+ correction in the S&P 500, and even steeper declines within certain technology sectors. While uncomfortable at the time, these periods of volatility have broadened market participation and created opportunities to reposition portfolios into areas with stronger long-term potential.

September has historically been a weaker month for markets, and that could be the case again as Congress returns from recess, **the Clarity and SAVE Acts** return to debate, and political noise surrounding the U.S. mid-term elections begins to increase. If volatility returns, I view it as an opportunity to rebalance and prepare for what could be a strong finish to the year.

Investors remain more uncertain than I have seen in quite some time.

Ironically, that is typically **not** when major market declines occur. Those tend to happen when everyone feels like an expert and nobody is worried about losing money.

We'll know we're getting closer to that environment when everyone has a relative working at a data centre, owns a household robot, or is converting their life savings into digital dollars. There will be signs, and when they appear, we can adjust accordingly.

For now, I remain encouraged by the resilience of many sectors of the economy, the innovation taking place across multiple industries, and the opportunities being created by market volatility.

While headlines will continue to focus on tariffs, politics, and uncertainty, I believe the bigger picture remains constructive.

The clouds haven't disappeared entirely, but they're beginning to part.

As always, we will continue to manage risk, rebalance when opportunities emerge, and focus on long-term outcomes rather than short-term headlines

For me, it's still clear skies ahead.

Take care,

Ryan, Jocelyn & Brittany



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