
COMMODARI ANTINORI GROUP / BMO NESBITT BURNS

 INVESTMENT COMMENTARY: APRIL 2026

“The best way out is always through.”

— Robert Frost

Equity markets have been unsettled recently, and some of the companies we own have come under meaningful pressure. We’ve addressed these developments directly and outlined our thinking in a recent video update, which you can access via this QR code if you haven’t yet had a chance to view it.



This commentary is meant to accompany that conversation, not repeat it. Rather than walking through individual names or dissecting the quarter, we want to step back and address something more fundamental:

Why does our approach hold up precisely when markets are most uncomfortable — and what are the traps that catch investors at exactly these moments?

Those two questions form the spine of everything that follows.

THE MARKET TESTS BEHAVIOUR BEFORE IT TESTS PORTFOLIOS

Imagine you own a small apartment building. One morning, a stranger knocks on your door and offers to buy it at a price well below what you know it is worth. You would not sell. You would not even spend much time thinking about it. You know what the building earns, you know what it is worth, and a low offer does not change either of those things.

That is precisely how we think about the businesses we own on your behalf. A falling share price is an offer, nothing more. When the offer is below what the business is worth, the rational response is not to sell. It is to consider buying more.

This sounds simple. It is not easy. The reason it is not easy is that markets are designed — not deliberately, but structurally — to make you feel that a falling price is telling you something urgent and important about the future. Sometimes it is. More often, it reflects the collective anxiety of investors reacting to each other rather than to any change in the underlying business.

The strength we bring to your capital is the discipline of asking the *right* question.

Is it: “*What is the market telling me?*” We think not. Rather, more pertinent is, “*Has anything changed about what this business is genuinely worth?*”

When the answer to that second question is no — and in today’s environment, for the great majority of what we own, the answer is no — then the only sensible response is patience. That is not passivity. That is the job.

THE REFUGE THAT ISN’T

When equity markets fall, the impulse to move money into bonds is almost universal. It feels prudent. It feels like protecting what you have built. We understand the instinct. But we want to be direct with you about it: in the current environment, we believe it is the wrong move — and it is worth explaining why in plain terms.

Bonds built their reputation as a safe harbour over several decades when inflation was low and falling. In that environment, when stocks fell, central banks could cut rates, and bonds would rise in value, cushioning the blow. That negative relationship between stocks and bonds was the foundation of what became known as the 60/40 portfolio, a model that served investors reasonably well for a long time.

That foundation has cracked. In 2022, for the first time in a generation, both stocks and bonds fell sharply at the same time. It was not an accident. When inflation rises and government debt levels are as high as

they are today, central banks have far less room to cut rates and rescue bond prices. The safety net that generations of investors relied on is simply less reliable than it used to be.

Think of it this way. If you kept your savings in a safety deposit box — no return, no growth, but seemingly safe — you would still be losing purchasing power every year to inflation. Bonds today, for many investors, are not far from that safety deposit box. They carry the appearance of safety without the substance of it.

We are not suggesting that fixed income has no role. We are suggesting that the reflex to flee equities and buy bonds during a drawdown, which is what most investors feel right now, is a behaviour that typically destroys value rather than protects it. You sell quality businesses at depressed prices and buy an asset whose real return may be negative. The discomfort is real. The logic of the reaction is not.

The goal is not to make the discomfort stop. The goal is to make sure the decisions you make during discomfort are ones you will be glad of in five years.

IF IT SOUNDS TOO GOOD, READ THE FINE PRINT

Every few years, the financial industry introduces a new product that promises to

solve the fundamental tension in investing: high returns with low risk, or market-like gains with bond-like safety. The packaging changes. The promise does not.

The latest version of this promise is private credit. These are loans made to businesses outside the traditional banking system, sold to investors with the appeal of steady income and, remarkably, the suggestion that the money could be accessed at short notice. Thousands of Canadians have invested in these products over the past few years.

The problem is not hard to see once you look past the brochure. You cannot have both the return that comes from locking up capital in illiquid loans and the freedom to withdraw that capital whenever you choose. Those two things are in direct conflict. When investors began requesting their money back earlier this year, some of the largest private credit funds — names you would recognise — were forced to gate redemptions. Investors who thought they had a liquid investment discovered they did not.

This is not a new story. It played out with structured products before the financial crisis. It played out with alternative mutual funds, three quarters of which no longer exist a decade after launch. It plays out, reliably, whenever the industry packages complexity into something that sounds simpler than it is.

Our approach is different, and deliberately so. We own real businesses. You know

what we own and why we own it. There are no layered structures, no redemption gates, no fine print that only matters during a crisis. The businesses we hold can be understood, valued, and — if we ever needed to — sold on any trading day.

Simplicity is not a limitation of our approach. It is one of its core strengths.

When clients ask us why we do not participate in the newest product wave, this is the answer: because we have seen the pattern before, and because the businesses we already own do not require financial engineering to generate a good long-term return.

OWNING BUSINESSES THROUGH DIFFICULTY

We have spoken to you directly about the specific names in our portfolios that have been under pressure. You can find that conversation in our accompanying video. We will not repeat that detail here.

What we will say is this: every business we own was purchased with a clear thesis — a reasoned view about what the business is worth, why it is competitively durable, and at what price it represents a sensible investment. Market volatility does not change a thesis. It tests your commitment to one.

Some of the pressure we are seeing is sector-wide, for example the market's

broad repricing of anything connected to artificial intelligence. Some are company-specific. In either case, our response is the same: we go back to work. We ask whether the original thesis is intact. We ask whether the price decline has created an opportunity to add. And we ask, honestly, whether we were wrong about anything.

That last question is the important one. Intellectual honesty is not a nice-to-have in investment management. It is the difference between a portfolio that learns and one that compounds its mistakes.

THE SAME APPROACH, EVERY DAY

When we have been wrong, and we have been and will be again, we say so plainly and we act accordingly.

What we do not do is sell quality businesses simply because markets are uncomfortable or because a narrative has attached itself to a falling share price. In our experience, that is the behaviour most likely to lock in permanent losses and surrender the recoveries that patient investors ultimately capture.



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