



**April 2026**

Welcome to our Liahona Capital Q1, 2026 newsletter!

## **Liahona MIC – Market Update for Investors**

### **A steady-but-cautious Ontario economy and a cooling housing market**

Early 2026 has been marked by two clear themes: Ontario's economy continues to show resilience, but business confidence remains cautious, and home prices have softened nationally. In this environment, disciplined private lending, strong borrower equity, and capital preservation become increasingly important.

#### **Ontario economy: resilient, but cautious**

The Ontario Chamber of Commerce's (OCC) 2026 Ontario Economic Report suggests Ontario businesses are holding steady but delaying growth decisions. Only 23% of businesses report confidence in the economic outlook, while 52% remain cautious, largely due to trade and tariff uncertainty. As a result, many firms have responded by managing costs rather than expanding, and business investment has slowed.

Looking ahead, the OCC projects Ontario real GDP growth of 1.2% in 2026, inflation remaining within the Bank of Canada's 1–3% target range, and unemployment near 7.6%.

What this means for private lending: when confidence is cautious, borrowers still require capital—often valuing speed, certainty, and flexibility—while prudent lenders benefit from prioritizing solid equity positions and clear exit strategies. *Source: Ontario Chamber of Commerce – 2026 Ontario Economic Report*

#### **Housing prices: a softer trend**

Recent Teranet–National Bank House Price Index reports show national home prices declining for several consecutive months on a seasonally adjusted basis. The national index fell 0.4% in January 2026 and 0.5% in February 2026, with notable weakness in markets such as Toronto,

Hamilton, Ottawa-Gatineau, and Vancouver. Year-over-year, prices were down approximately 4–4.4% nationally, with deeper declines in parts of Ontario.

**What this means for private lending:** a cooling housing market puts greater emphasis on conservative loan-to-value ratios, realistic valuations, and borrowers with multiple, credible exit options. *Source: Teranet–National Bank House Price Index*

### How Liahona MIC approaches markets like this

In conditions marked by economic caution and softer pricing, we believe investor outcomes are supported by three core disciplines:

1. **Underwriting for the exit, not the headline** – ensuring each investment remains viable even if timelines extend or market conditions shift.
2. **Prioritizing borrower quality and equity** – stronger equity positions matter more when prices are drifting, not less.
3. **Staying active, but selective** – reduced competition can create opportunity, but only when fundamentals remain strong.

We believe this approach continues to position Liahona MIC to pursue attractive, risk-adjusted income opportunities while maintaining a strong focus on capital preservation as market conditions evolve.



## Coordinating Insurance and Investments for a Stronger Financial Strategy

A growing theme in wealth management is the value of coordinating investments and insurance under one advisory relationship. When financial assets are spread across multiple institutions, opportunities can be missed and strategies may develop in isolation. Bringing investments and life insurance together allows advisors to see the full picture—including risk, liquidity, tax exposure, and estate objectives—and provide more thoughtful, proactive guidance.

This integrated approach can also reduce duplication, prevent conflicting advice, and improve responsiveness during market changes or major life events.

Key benefits of having investments and insurance under one roof include:

- A more complete overview of your total financial picture
- Better coordination between growth, protection, and estate planning
- Reduced overlap, gaps, or conflicting advice
- Improved ongoing monitoring and proactive recommendations
- Streamlined communication through one coordinated advisory team
- Simplified reporting and long-term estate administration

For a complimentary insurance evaluation, or to move your life insurance policy under the Liahona Group with Liahona Insurance & Wealth Creation Inc., please contact your dealing representative or email [clientrelations@liahonainsurance.ca](mailto:clientrelations@liahonainsurance.ca) and an advisor will connect with you.

## What's Happening in the Private Markets

Private markets are currently moving through a period of adjustment. Higher interest rates and a more cautious approach to capital deployment have created challenges for certain issuers and strategies — particularly those built on aggressive growth assumptions. At the same time, this environment has reinforced the importance of discipline, structure, and fundamentals — principles that continue to guide Liahona Capital's investment approach.

### A More Disciplined Landscape

Capital remains active across private markets, but it is being deployed more selectively. Investors and lenders are placing increased emphasis on asset quality, cash flow visibility, conservative underwriting, and experienced management teams. While this has slowed activity in some areas, it is also contributing to a stronger overall opportunity set as market standards continue to rise.

### Recognizing the Challenges — and the Opportunity

Some private investments are experiencing pressure as financing costs remain elevated and investment timelines extend. These conditions highlight the importance of appropriate time horizons, diversification, and well-structured investments.

Importantly, periods like this often lead to healthier market dynamics. Increased discipline can result in improved deal structures, better alignment between investors and issuers, and more attractive opportunities for patient, long-term capital — particularly within income-focused and asset-backed strategies.

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## What This Means for Investors

For investors working with Liahona Capital, today's environment reinforces several key principles:

- **A long-term perspective matters**  
Private investments are best suited for investors who can focus on fundamentals rather than short-term market noise.
- **Quality and structure are critical**  
Conservative underwriting, strong asset backing, and experienced management teams become even more important during periods of market transition.
- **Income and downside protection remain central**  
Many private market strategies continue to emphasize contractual income and asset-based structures, helping support stability through changing market cycles.
- **Diversification continues to add value**  
Private investments can complement public portfolios by offering differentiated return drivers that are less influenced by daily market sentiment.

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## A Steady Outlook

While private markets continue to adjust, they remain grounded in real assets, contractual structures, and long-term objectives. Increased discipline across the industry is helping to establish stronger foundations for the future.

At Liahona Capital, our focus remains on thoughtful issuer selection, ongoing monitoring, and alignment with investor goals — recognizing that while market cycles change, disciplined investment principles endure. Periods of adjustment often set the stage for stronger fundamentals, and we remain committed to navigating the private markets with care, discipline, and a long-term view.

For any questions about your portfolio or the products on our shelf, please reach out to your Liahona Dealing Representative.

# Dealing Representatives

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## Summary

We value your ongoing support and investment with us. For additional information visit our website at [www.liahona.ca](http://www.liahona.ca)

As always, we welcome your feedback.

Sincerely,

## The Liahona Team

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