

## MANAGER COMMENTARY

The central banks have clearly been a pillar of support for years with low interest rates and quantitative easing for the economy and markets in recent years that resulted in 2021 markets having low volatility. One might describe the past year's stock markets by the old adage "a rising tide that lifted all boats".

However now inflation is out front and warning signs are flashing.

Rising rates are historically driven higher by increasing demand for money as economies grow faster than normal (2nd half 2020 and all of 2021) and as government central banks try to control inflation (woops – it's here!). Economic growth continues to be strong as shown in the US and Canada by their respective low December unemployment rates of 3.9% and 5.9%.

Canadian and U.S. inflation as measured by the consumer price index rose year over year 4.8% and 7.1% respectively, equal to a four-decade high in December.

This tightening cycle according to CIBC's Avery Shenfeld should take rates up into the vicinity of the so-called "neutral rate" (~2.5). This cycle will also see the use of quantitative tightening,

At the end of Q4 market valuation shifted lower with the highest multiple technology sector stocks falling more rapidly than more reasonably valued sectors. Commodities and financials generally lost less or gained in value as general markets declined.

For Q4 2021 (all measured in CAD unless specified otherwise) the Total Returns including reinvested dividends for the major indexes were: S&P/TSX Composite +6.50%; S&P 500 +10.70%; S&P 500 Index USD +11.03%; MSCI WORLD INDEX +7.55%; MSCI WORLD INDEX USD +7.86%. The FTSE TMX Canada Universe Bond Index +1.47%. The CAD dollar rose +0.29%. The S&P/TSX Composite Materials Index CAD(+10.68%) and Financials Index CAD(+9.41%) were the strongest. The Health Care Index CAD (-18.25%) and the Information Technology Index CAD (-1.40%) were the weakest.

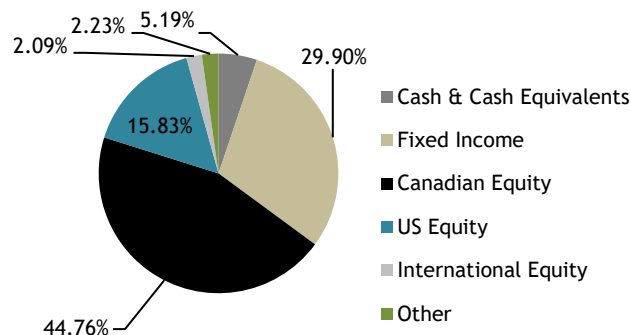
The top 3 performers in the portfolio were: Advanced Micro Devices (+39.73%), Keysight Tech (+25.60%) and Apple Inc (+25.39%). The bottom 3 performers were: Lightspeed Communications (-58.21%), NFI Group (-15.02%) and International Business Machines (-10.95%).

During Q4, one fixed income position was added: iShares 0-5 YR Tips Bond Index (CAD-HEDGED) UT (-0.64%). Three equity positions were liquidated: Manulife financial Corp (+1.58%), International Business Machines Corp (-10.95%) and Johnson & Johnson (-1.55%).

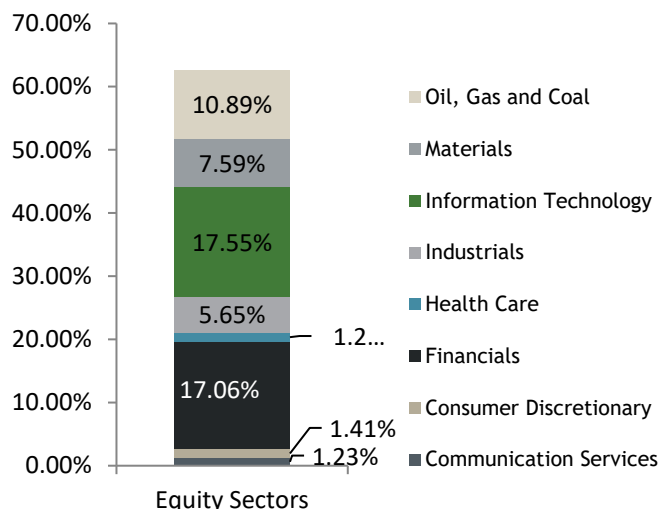
## PERFORMANCE RETURNS

Performance (%)	3 Mo	YTD	1Yr	3Yr	5Yr	10Yr	SI inception
Composite	4.08	19.75	19.75	13.50	8.23	8.84	8.98
Benchmark	4.63	13.77	13.77	12.51	8.24	8.10	7.86
Diff +/-	-0.55	5.98	5.98	0.99	-0.01	0.74	1.12

## ASSET MIX



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## TOP TEN HOLDINGS

	% Held
MICROSOFT CORP	6.19%
ISHR 0-5 YR TIPS BD IDX (CAD-HEDGED) UT	5.03%
CDN NATURAL RSRC LTD	4.75%
HORIZONS ACTIVE ULTRA SHORT TERM INVEST GRADE BOND CL E UTS	4.47%
ISHR CDN REAL RTN BOND IDX	4.46%
WHITECAP RSRC INC	4.17%
WSP GLBL INC COM	4.11%
TD	4.09%
RBC	3.36%
Canadian Cash	3.36%
<b>TOTAL TOP TEN</b>	<b>43.99%</b>

\*Performance results in this document are based on a composite of CIBC Wood Gundy Advisor Managed Account (“AMA”) retail accounts with more than \$75,000 invested in the “ETF Growth strategy”. The composite includes open fee-paying discretionary managed accounts where the Strategy has been held for at least two months, through a purchase or a switch from another investment or a different AMA strategy. Also included in the composite are closed accounts that held the Strategy, up to the last full month the Strategy was held. The composite was created in December 2011 and includes AMA performance data from February 2012, two months after the Strategy’s inception in the AMA program.

Composite performance returns are geometrically linked and calculated by weighting each account’s monthly performance, including changes in securities’ values, and accrued income (i.e. dividends and interest), against its market value at the beginning of each month, as represented by the market value at the opening of the first business day of each month. This Strategy can be purchased either in U.S. or Canadian dollars. Performance returns in this document are expressed in Canadian dollars and are calculated by converting U.S. dollar accounts into Canadian dollars using the month-end Bank of Canada noon rate. Performance returns are gross of AMA investment management fees, and other expenses, if any. Each individual account’s performance returns will be reduced by these fees and expenses.

Individual Advisor Managed Account performance results may materially differ from those in this document due to the above and other factors such as an account’s size, the length of time an AMA Strategy has been held, cash flows in and out of the individual account, trade execution timing, market conditions and movements, trading prices, foreign exchange rates, specific client constraints, and constraints against purchasing securities of related and connected issuers to CIBC Wood Gundy.

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\*Top holdings in model. Individual account holdings may differ.

TD Bank 2a,2b,2c,2d,2e,2g,3a,3c,7

Royal Bank of Canada 2a,2c,2e,2g,3a,3c,7

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2c CIBC World Markets Inc. has managed or co-managed a public offering of securities for this company in the past 12 months.

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