

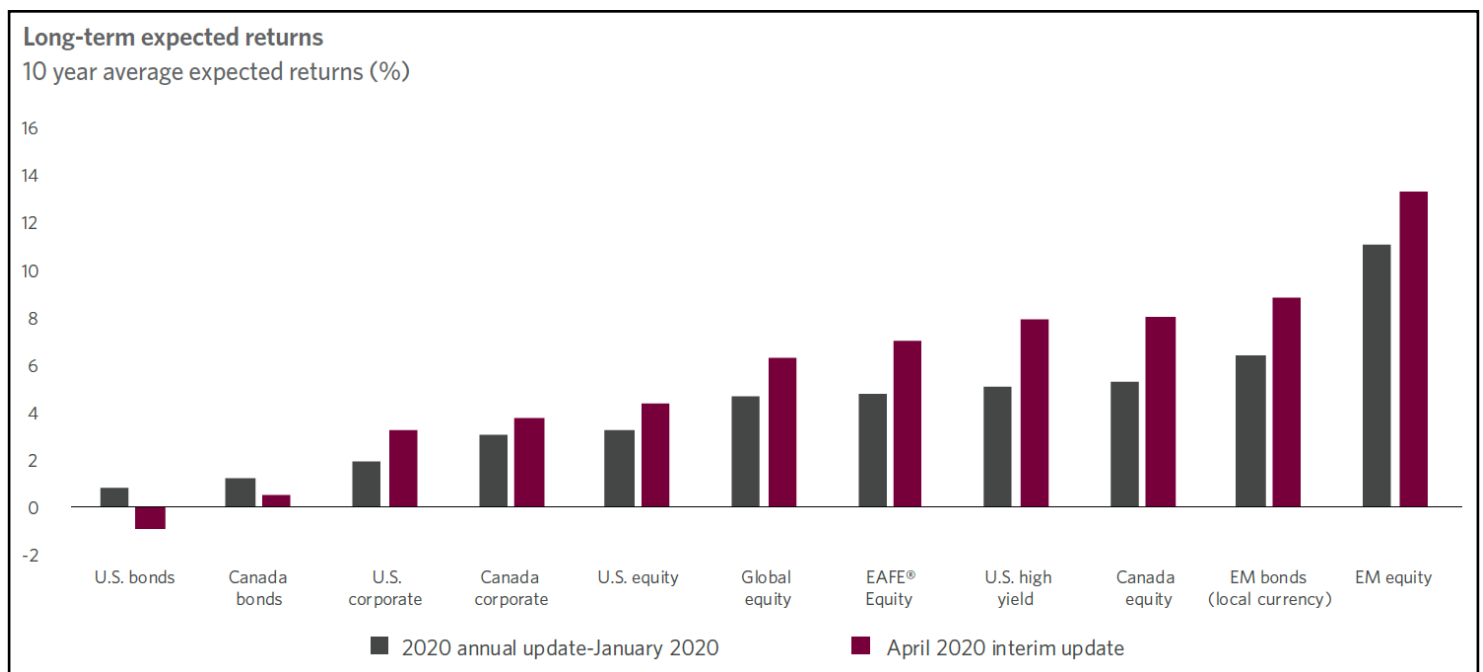


THE LONG-TERM PERSPECTIVE

It will be some time before we know how the economy unfolds from the shutdown precipitated by COVID 19. Nevertheless, the intervention from central banks and governments has been on such a massive scale that extraordinary measures have been enacted to support asset prices.

Even with that intervention, asset prices are down from a few months ago, and lower current prices means better future returns.

Below are the revised forecasts from CIBC Asset Management for all asset classes for the next 10 years.



Source: CIBC Asset Management, *Perspectives*, April 1, 2020

One thing should be clear, compared to January of this year, the expected returns for bonds have fallen while the expected returns for stocks have increased. A lot of bad news is “embedded” in the prices we see today and as a result the long-term outlook for investors has improved.

We welcome your questions at any time.

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