



April 6th , 2020 Communique Light at the End of the Tunnel

To all our valued clients,

Amidst the COVID-19 pandemic, Baker Financial Group (BFG) wish the best of health to you, your families, your friends and loved ones. We also applaud and wish our health care specialists and workers the best as they battle the virus on the front lines.

There have been uncanny amounts of speculation and many topics have been sensationalized over the past few months. We are certain we can expect more of the same into the immediate future. At BFG we make it a point to focus on the facts and avoid being caught up in all the noise, hype and misinformation. The following are some of the key points and beliefs as we see them:

First the negatives:

- The spread of the virus is far greater than many initially thought and continues to grow at this time.
- Circumstances suggest we are already in a global recession; numbers to confirm will be reported in the weeks and months to come.
- The equity markets sold off more rapidly than any other market downturn before.
- The standoff between Russia and Saudi Arabia has inflicted tremendous damage on the Oil & Gas industry.
- All the financial markets may be faced with further price depreciation should negative events continue to persist.

Next the positives:

- From what we have read, there are a whole host of institutions all over the world working on therapies and vaccines: One current estimate is 58 treatment therapies and 43 vaccine candidates.
- Businesses and individual groups of all kinds are working tirelessly to provide supplies and resources to our front-line workers. Temporary hospitals have been built with more under construction.
- Roche alone is manufacturing 900,000 test kits per week and indicated that their kits will soon support 5 million tests per month.
- Ventilators are being manufactured by several additional companies such as GM and Dyson.
- We know a front-line worker who just received her face shield and goggles made by 3D printers.
- All of this is a testament to the 'get up and go' attitude that we have in Canada.
- It is heart-warming to see the compassion and support that many individuals, teams, businesses, and families can exhibit and then come together in such a time of need.
- The amount of Federal, Provincial/State stimulus is unprecedented both in size and speed of delivery. We expect more to come.

- The stimulus is not a cure-all, there will be bankruptcies and jobs lost for the long term. However, there will be new jobs, new businesses and stronger companies that will rise from the recovery.
- The support programs will help to shorten and soften the economic backlash of COVID-19 and all of the stimulus is likely to accelerate growth in the global economy through the recovery and thereafter.
- Financial markets have historically preceded economic downturns and recoveries by anywhere from 3-9 months. Given that we are well into the downturn in a relatively short period of time, and assuming that COVID-19 will be beat at some point, the markets are most likely to recover significantly before the “all-clear” is sounded. We are already seeing evidence the recovery is beginning in the countries first hit by the virus and that social and physical distancing is helping. If the virus is under control within the next 6-12 months, the markets should already be into recovery. The big question remains not if but when that will be. Until the recovery proceeds, we expect volatility in the markets to continue.

What are we doing?

Please refer to our communique sent out on March 12, 2020. We continue to do more of the same. In addition to conducting our own research, we are continuously interviewing experts and professionals for their opinions and thoughts. We have spoken to economists, energy sector analysts, real estate analysts, banking and financials analysts, agriculture and engineering analysts, as well as our communications and telecom analyst. Our communications analyst used an analogy we quite like to describe the stability and quality of the Big 3 (BCE, Telus, Rogers) “They are our battleships and are a great place to park for safety.” We also continue to interview independent and third-party experts. For example, a member of the team was recently on a call with the Chief Economist at Boston Consulting Group.

As always, we are focused on your long-term investment goals and the ongoing monitoring of your respective financial plans.

If you are at all worried about your investment portfolios or are uncomfortable with the volatility in the markets, please reach out to us to discuss.

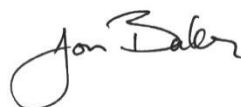
On behalf of Baker Financial Group, CIBC Wood Gundy, we work hard every day to be worthy of your trust.

Most sincerely,

CIBC Wood Gundy
Baker Financial Group



Bryan Baker



Jonathan Baker