

The Robert Leon Team

ETF GROWTH STRATEGY

March 31, 2022

INVESTMENT OBJECTIVE

To generate above-average total return with reduced volatility over the long term. The primary focus is to invest in various ETFs/ETNs in both Canadian and Global markets across all asset classes to maximize portfolio diversification and capitalize on market opportunities.

MANAGER COMMENTARY

Up versus down is not always the direction of choice as became evident this year. In Q1 inflation and interest rates worldwide have spiked upwards and are widely believed to be heading higher for the duration of 2022. Asset valuations headed lower in relative terms and will continue to be challenged until one or both of those factors level off. In the meantime, as rates head higher PE multiples head lower. Stagflation may have arrived in U.S. as Q1 GDP appears to have fallen by 1.4% as inflation climbs.

Equities turned neutral to down while bonds became radioactive during Q1. And near the end of the quarter commodities caught fire on the upside but may not be sustainable in the coming periods of declining growth rates leading to lower demand.

Headline CPI in Canada surged 1.4% in March to hit 6.7% year-over-year. In the US the surge in gasoline prices left total inflation in March at 8.5%. This may represent the peak in inflation but any easing in the next few months will likely be gradual due to continued supply disruptions emanating from the war in Ukraine and lockdown measures in China.

For Q1 2022 (all measured in CAD unless specified otherwise) the Total Returns including reinvested dividends for the major indexes were: S&P/TSX Composite +3.84%; S&P 500 Index -5.66%; S&P 500 Index USD -4.60%; MSCI WORLD INDEX -6.32%; MSCI WORLD INDEX USD -5.04%. The FTSE TMX Canada Universe Bond Index -6.97%. The CAD dollar rose +1.13%. The S&P/TSX Composite Energy Index (CAD) +28.72% and S&P/TSX Composite Materials Index (CAD) +20.09% were the strongest sectors. The S&P/TSX Composite Information Technology Index (CAD) -35.45% and the S&P/TSX Composite Health Care Index CAD -8.51% were the weakest.

The top 3 performers in the portfolio were: Horizons S&P/TSX Capped Enrgy Idx (+37.30%), iShares CDN Fdmntl Idx (+9.63%) and the Fidelity Cdn Value Idx (+6.62%). The bottom 3 performers were the BMO Nasdaq 100 Equity ETF (-14.282%), the BMO MSCI USA High Quality ETF (-12.813%) and the BMO S&P 500 (CAD Hedged) (-4.999%). During Q1 2022, two positions were added: iShares Global Agri Idx (+14.163%) and the iShares Global Monthly Div Ind (CAD Hedged) (+2.34%). Four positions were liquidated: The Fidelity Cdn Value Idx (+6.62%), the iShares S&P/TSX Smallcap Idx (-3.47%), the BMO MSCI USA High Quality ETF (-12.81%) and the BMO NASDAQ 100 Equity ETF (-14.28%).

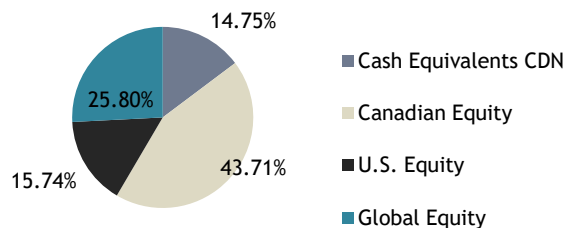
ETF SELECTION PROCESS

A universe of qualified ETFs is carefully selected, and their relative strengths are monitored using various technical research sources.

The top down selection approach of asset classes begins with market cash flow analysis, measured by the relative strength of North American stock exchange listings, as compared to ETFs of other asset classes.

Asset allocation is based mainly on the purchase of sectors which are outperforming, and the sale of sectors which are underperforming on a week-to-week basis, within the overall matrix of qualified ETFs.

ASSET MIX



SECURITY DESCRIPTION

% Held

Cash and Cash Equivalents (CAD)	14.75%
TOTAL CASH & EQUIVALENTS	14.75%
BMO S&P 500 Hedged To CAD	15.74%
U.S. EQUITY TOTAL	15.74%
HORIZONS S&P/TSX CAPED ENRGY IDX NEW SHS	22.23%
ISHR CDN FDMNTL IDX COM UT	21.48%
CANADIAN EQUITY TOTAL	43.71%
ISHR GLBL AGRI IDX UT COM	15.97%
ISHR GLBL MTHLY DIV IDX (CAD-HEDGED UT COM)	9.83%
GLOBAL EQUITY TOTAL	25.80%

PERFORMANCE RETURNS

Performance (%)	3 Mo	6 Mo	YTD	1Yr	3Yr	5Yr	SI inception
Composite	4.65%	12.31%	4.65%	17.38%	11.55%	8.84%	8.42%
Benchmark	-1.89%	2.18%	-1.89%	10.52%	8.27%	7.46%	8.25%
Diff +/-	6.54%	10.13%	6.54%	6.86%	3.28%	1.38%	0.17%

*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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There are ongoing fees and expenses associated with owning units of an Exchange-Traded Fund (ETF). An ETF must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the fund in these documents. The indicated rate[s] of return is [are] the historical annual compounded total return[s] including changes in unit value and reinvestment of all distributions and does not take into account certain fees such as redemption fees or optional charges or income taxes payable by any securityholder that would have reduced returns. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

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