

The Robert Leon Team

ETF GROWTH STRATEGY

March 31, 2023

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

Storm Clouds Clearing ...but still some chance of Lightning and Thunder

The latest (April 2023) level of 28.9 of the cyclically adjusted price-earnings (CAPE) ratio of the S&P is now well down from its November 2021 peak of 38.58 (historical references: Jan 1, 2000, =43.77; Jan 1 2010= 20.53). Equity and bond market prices have fallen over the past year or so and leadership shifted from the fastest growing companies to higher quality, less volatile companies particularly those paying and growing earnings and dividend payments in the past – the longer the period the better. Compounding gives comfort, but that requires more and more time.

Taking shelter with rising Interest payments on cash balances is one form of comfort after many years earning little or nothing on savings. Your balanced fund has recently secured Canadian corporate short- and medium-term bonds yielding up though 5%. GIC rates had breached that level shortly after last summer's 8.1% peak inflation but have since fallen back below that level. Falling inflation may be signaling that the excess demand – which, so far, has kept the economy out of recession -is being depleted.

Also, during Q1 China came out of hiding from Covid and Europe adjusted to the shocks associated with the ongoing war in Ukraine (Russia stopping natural gas exports and embargoing grain transportation, etc.). A warmer winter and quick response from friends of Germany (mainly the US and other countries – Canada did not help) delivered enough LNG to prevent a major recession in Europe. During Q1 your fund reinvested more cash into additional equities, fixed income as well as adding slightly to the volatility hedge.

The FTSE Canada Universe Bond Index rallied 3.22% during Q1. Also, for Q1 2023 (all measured in CAD unless specified otherwise) the Total Returns including reinvested dividends for the major indexes were: S&P/TSX Composite 4.56%; S&P 500 Index 7.37%; S&P 500 Index USD 7.50%; MSCI WORLD INDEX 7.75%; MSCI WORLD INDEX USD 7.88%. The CAD dollar rose a marginal 0.12% vs the US. For the second quarter in a row the S&P/TSX Composite Information Technology Index (CAD) +26.53% was the best performing Canadian index while the S&P/TSX Energy Index (CAD) -2.33% was the poorest performer. During Q1 the only position added was ISHR S&P/TSX CAPPED INFORMATION TECH IDX (+4.04%). The only position liquidated was the ISHR GBL AGRI IDX UT COM (+1.169%). During the quarter, ISHR S&P/TSX GBL BASE METALS IDX (-8.99%) was bought and sold. The best performers were ISHT JAPAN FDMNTL IDX CAD HEDGED UT (+8.45%), ISHR S&P/TSX CAPPED INFORMATION TECH IDX (+4.04%), and CI WISDOMTREE U S QUALITY DIV GWTH IDX NON-HEDGED UT (+3.25%). The worst performers were: ISHR S&P/TSX GBL BASE METALS IDX (-8.99%), LOW VLTLY US EQ CAD UT (-1.93%) and Cash CDN (+0.0%).

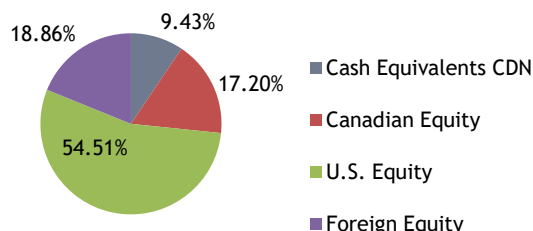
ETF SELECTION PROCESS

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 CDN	0.85%
PURPOSE HIGH INT SAVINGS UT	8.58%
Cash Total	9.43%
BMO LOW VLTLY US EQ CAD UT	17.83%
CI WISDOMTREE U S QUALITY DIV GWTH IDX NON-HEDGED UT	18.65%
ISHR US FDMNTL IDX NON-HEDGED UT	18.03%
U.S. Equity Total	54.51%
ISHR S&P/TSX CAPPED INFORMATION TECH IDX	17.20%
Canadian Equity Total	17.20%
ISHT JAPAN FDMNTL IDX CAD HEDGED UT	18.86%
Foreign Equity Total	18.86%
Total	100.00%

PERFORMANCE RETURNS

Performance (%)	3 Mo	6 Mo	YTD	1Yr	3Yr	5Yr	SI inception
Composite	1.94%	-1.76%	1.94%	-11.97%	6.01%	5.29%	6.41%
Benchmark	3.96%	9.03%	3.96%	-0.04%	9.38%	6.18%	7.59%
Diff +/-	-2.02%	-10.79%	-2.02%	-11.93%	-3.37%	-0.89%	-1.18%

*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.