CIBC PRIVATE WEALTH

INVESTMENT STRATEGY GROUP

MONTHLY WORLD MARKETS REPORT

January 2024

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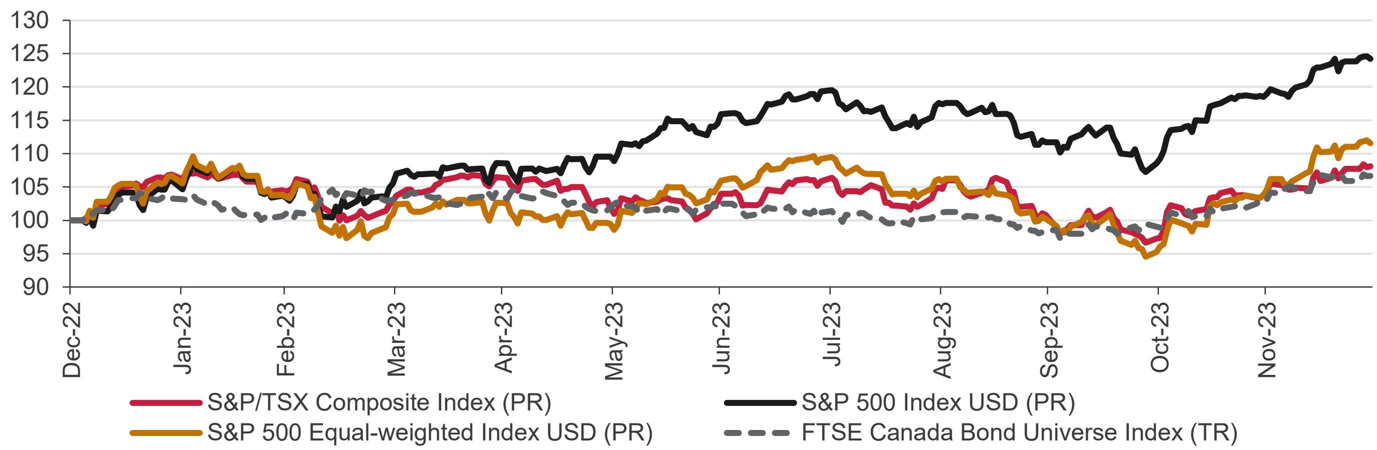
Strength In 2023: Is More In Store For 2024?

As we look forward to opportunities and challenges in financial markets for 2024, a quick look back at 2023 can help give us perspective on where we are today. Broadly, public market performance was solid and certainly better than expected. Growth prevailed despite a challenging backdrop that included conflicts in Ukraine and Gaza, the U.S. regional banking crisis and economic struggles for the world's second-largest economy — China. Good news came by way of resilient global growth, declining inflation, a healthy job market and the emergence of generative Artificial Intelligence (AI) demand.

Market breadth, a measure of equity participation for stock indices, narrowed in North America as the generative AI theme, as a demand driver, gained traction in Q1. This gave rise to the 'Magnificent 7' (Apple Inc (AAPL-US), Amazon.com Inc. (AMZN-US), Alphabet Inc. (GOOGL-US), Meta Platforms Inc. (META-US), Microsoft Corp (MSFT-US), Nvidia Corp (NVDA-US) and Tesla Inc. (TSLA-US). This theme was a key driver of market appreciation, despite concerns that arose with the U.S. regional bank crisis, a crisis that saw the failure of three regional banks: Silicon Valley Bank (SVB), Signature Bank and First Republic Bank.

The tragedy posed by the conflict in Gaza put additional downward pressure on market performance in October 2023. However, softening inflation data and signs of a slowing economy, particularly in Canada, likely lessened the need for restrictive monetary policy. This resulted in central bankers pivoting away from further rate hikes and opening the door to possible interest rate cuts in 2024. The U.S. 10-year government bond yield notably peaked above 5.0% in October 2023 for the first time since 2007. However, it fell by 112 basis points (bps) to finish the year at 3.88%, a reflection of the volatility in fixed income markets this year. The Information Technology (IT) sector led gains this year in both Canada and the U.S., producing impressive returns of 68.8% and 56.4%, respectively. The S&P/TSX Composite Index (TSX), having more exposure to interest rate-sensitive businesses, and commodities generated positive yet more modest returns.

North American Indices - 2023 Normalized Returns



Source: FactSet & Bloomberg

Please refer to the below pages for return data on a broader set of global indices.

Looking into 2024, we're cautiously optimistic as interest rates appear to have peaked and we'll likely see cuts starting in both Canada and the U.S. We believe inflation will remain on a downward trajectory and the economies in North America will continue to slow. While the labour market has been resilient for much of 2023, we expect this will reverse in 2024 as layoff announcements expand beyond the IT sector and businesses adjust their cost bases in anticipation of demand weakening further. That being said, it's important to remember that markets are a discounting mechanism and will often incorporate future known events. A look at sector valuations shows that many sectors across the TSX are currently trading below their 10-year average. The S&P500 reflects discounts in nine out of 11 sectors (notable exceptions are IT and Healthcare), which suggests some future negativity is already priced in. Key risks we're mindful of but don't believe are of high probability include: the big "R", namely a hard-landing recession that is materially weaker than current expectations, and further material downside risks to China's recovery.

Structural tailwinds will likely continue into 2024 but investors should be valuation minded. The TSX is more interest rate sensitive than the S&P500 and should benefit as interest rates start to decline in the New Year. Finally, investments in GICs and similar instruments grew with higher yields in 2023. As interest rates decline, investors should work with their CIBC partners to ensure liquidity needs are met. It's important for investors to keep an eye on potentially re-investing opportunities in a more diversified portfolio based on their risk profile, this may include equities and fixed-income securities. Market timing is always a challenge but investing in a well-diversified portfolio has historically served clients well. We wish you all a healthy, happy and prosperous 2024!

WINCY WONG, CFA

Generational Finance and Investing

There are currently four main generations of investors: Generations Z, Y, X and the baby boomers. Regardless of which one you belong to, it's probably always a good idea to be investing for the future. Interestingly, each of the four generations started to invest and save earlier than the one before it and that's a good thing for the younger generations. The earlier the age at which one starts saving and preparing for the future, the more one is able to save and the more one's savings can grow. The newest generation of investors, Generation Zs (Gen Zs), have already caught onto this principle and started to save and invest.

Generation Z

Data shows that Gen Zs started saving around the age of 18, giving them many years of saving for retirement. This generation is thinking ahead and that will make a significant difference for them. Gen Z is the demographic cohort that follows millennials but is before the new generation alpha. They were born between 1996 and 2009, are mostly the children of Generation X and will become the largest generation by the mid 2030s.

Understanding how Gen Z's investing differs from that of other generations requires a look at the unique characteristics of this generation. Gen Z was the first generation to have portable digital technology at an early age. The youngest in the generation was just five years old when the first iPhone was introduced. This is a generation that has little to no memory of a world without smartphones. Social media has become fully integrated into the daily lives of most of them. They are expected to be the most well-educated generation and are more likely to have a college or university educated parent.

Technology has made investing more accessible, with commission-free trading and easy access to trading through a variety of devices. This has made Gen Zs much more digitally active than the older generations. A Nasdaq survey found that 48% of Gen Z's investors check their portfolios multiple times a day, while 24% check at least once a day. This compares to 39% and 22% for millennials, 16% and 19% for Gen X, and 10% and 12% for baby boomers. That same survey found that Gen Z is much more active as well, with 34% reporting making trades a few times a week versus 26% of millennials, 19% for Gen X, and 7% for baby boomers.

Generational Breakdowns

Generations	Years	Age Range	Percent saving for retirement	Eat out at least once a week	Leave Job After 2 Years	Spare Time Activity
Generation Alpha	Years: 2010-2025	13				Focused on Tech
Generation Z	Years: 1996-2009	14-27	0.70	0.46	0.30	Listen to Music
Millennials (Gen Y)	Years: 1981-1995	28-42	0.82	0.58	0.42	Watch TV
Generation X	Years: 1965–1980	43-58	0.84	0.44	0.21	Watch TV
Baby Boomers	Years: 1946-1964	59-77	0.55	0.29	0.26	Watch TV
Silent Generation	Years: 1925-1945	78-98		0.26		Read
G.I. Generation	Years: 1901-1924	99-122				
Lost Generation	Years: 1883-1900					

Source: Global News / Business insider November 2023

Millennials / Generation Y

Millennials - those born between 1981 and 1995 - are earning more, saving more and investing earlier and at a higher rate than previous generations. Also known as Generation Y, millennials are not only the largest generation, they will also receive the greatest ever transfer of inherited wealth. *Canadian Business* noted that millennials are now the largest generation in the Canadian workforce.

The oldest millennials are now approaching age 42 and have experienced a few economic setbacks that have kept them from building wealth in adulthood. They were hit by the 2008 recession, which was one of the worst economic downturns since the Great Depression. Then, in 2019, the coronavirus pandemic and a new record breaking recession hit, which left millions unemployed. The group was also burdened with student loan debt, which has grown to C$23.5 billion outstanding in July 2022. That number increases further when factoring in provincial loans, private debt, the rising costs of living, high housing prices, and high rental costs.

Despite Canadian lifestyles being affected by the Covid-19 pandemic, one thing that will probably continue is how people, especially millennials, are rethinking their personal financial positions. A survey by BlackRock Inc. found that 45% of millennials are more interested in investing in the market today than they were just five years ago. On average, baby boomers save 11% of their annual income for investing but millennials save as much as 18% and are more concerned about investment knowledge and money management than they were before the pandemic.

Generation X

Members of Generation X, also known as The Forgotten Generation, are often overlooked in discussions of investments or personal wealth. These investors, born between 1965 and 1980, are more conservative than baby boomers when it comes to their investment choices. Many Gen-Xers began investing in the late 1990s and early 2000s, only to find a decade later that a slumping stock market meant their investments barely produced planned growth.

Gen-Xers are also more likely than millennials to seek out the help of a financial advisor. Because they are in their prime earning years, with some of the older Gen-X cohort nearing early retirement, they expect quick, accurate answers from those who are managing their money. Many like to think there is plenty of time to fix financial mistakes but for Gen-Xers that time is now. Gen-Xers typically have more debt than savings, even though many of them are in their peak earning years.

This generation is generally confident about managing their day-to-day finances, as their main concern is their financial future. Gen-Xers are most worried about retirement, followed by saving money and digital currency. They will need the most help in pairing down debt, increasing savings in preparation for retirement and making sound financial decisions.

Baby Boomers

Baby boomer generation members were born between 1946 and 1964 and are mostly retired or getting close to retirement. The time has come to ensure their overall investment portfolios are allocated appropriately between different asset classes. While it's never too late to plan, the reality is that baby boomers don't have as much time as younger generations to close the retirement savings gap and pay down debt.

Many baby boomers have a 60/40 equity/fixed-income portfolio that has served them well over the years but now might be the time to rebalance the portfolio. A investment advisor can be an immense help because they have has the resources and expertise to review a retirement portfolio regularly and recommend safe investments and savings priorities based on the client's financial life goals.

The Bottom Line

The truth is personal finances are unique to the individual, so each person needs to educate themselves in a way that fits their own needs and seek out a trustworthy investment advisor who can address their specific circumstances. It is in the best interest of investment advisors not only to understand the needs and wants of the different generations but also to consider their values and view of the world. Financial professionals will know all the options available to help clients achieve their financial goals. This will be of critical importance in the coming years.

ALLAN BISHOP

Market Return Data

All data is sourced from Bloomberg unless otherwise noted. Data as of December 31, 2023.

North American indices – Price performance (% Change)

North America indices	Price	1 Month	3 Months	6 Months	YTD
S&P/TSX Composite	20,958	3.6%	7.3%	4.0%	8.1%
S&P/TSX Composite – Total Return	84,037	3.9%	8.1%	5.7%	11.8%
S&P 500 Index	4,770	4.4%	11.2%	7.2%	24.2%
S&P 500 Index – Total Return	10,328	4.5%	11.7%	8.0%	26.3%
Dow Jones Industrial Average	37,690	4.8%	12.5%	9.5%	13.7%
Dow Jones Industrial Average – Total Return	92,631	4.9%	13.1%	10.7%	16.2%
Nasdaq Composite Index	15,011	5.5%	13.6%	8.9%	43.4%

North American indices – Price performance (% Change - Annualized)

North America indices	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
S&P/TSX Composite	8.1%	-0.6%	6.3%	7.9%	4.4%	5.8%	4.8%
S&P/TSX Composite – Total Return	11.8%	2.6%	9.6%	11.3%	7.6%	9.0%	7.8%
S&P 500 Index	24.2%	0.0%	8.3%	13.7%	9.9%	11.7%	7.6%
S&P 500 Index – Total Return	26.3%	1.7%	10.0%	15.7%	12.0%	14.0%	9.7%
Dow Jones Industrial Average	13.7%	1.8%	7.2%	10.1%	8.6%	10.2%	6.6%
Dow Jones Industrial Average – Total Return	16.2%	4.0%	9.4%	12.5%	11.1%	12.9%	9.2%
Nasdaq Composite Index	43.4%	-2.0%	5.2%	17.7%	13.6%	16.2%	10.6%

International indices – Price performance (% Change)

International indices	Price	1 Month	3 Months	6 Months	YTD
Bloomberg Euro 500	307	3.5%	5.7%	2.6%	11.0%
FTSE Eurotop 100	3,748	3.1%	5.2%	2.7%	13.2%
FTSE 100 (England)	7,733	3.7%	1.6%	2.7%	3.8%
Dax (Germany)	16,752	3.3%	8.9%	3.7%	20.3%
CAC 40 (France)	7,543	3.2%	5.7%	1.9%	16.5%
MSCI World	3,169	4.8%	11.1%	6.8%	21.8%
MSCI Emerging Markets	1,024	3.7%	7.4%	3.5%	7.0%
MSCI Emerging Markets – Total Return	2,641	3.9%	7.9%	4.9%	10.3%
MSCI EAFE	2,236	5.2%	10.1%	4.9%	15.0%
MSCI EAFE – Total Return	10,693	5.3%	10.5%	6.0%	18.9%
Nikkei 225 (Japan)	33,464	-0.1%	5.0%	0.8%	28.2%
Hang Seng (Hong Kong)	17,047	0.0%	-4.3%	-9.9%	-13.8%
ASX 200 (Australia)	7,591	7.1%	7.7%	5.4%	7.8%
Taiwan Weighted	17,931	2.9%	9.6%	6.0%	26.8%
Sensex 30 (India)	72,240	7.8%	9.7%	11.6%	18.7%

International indices – Price performance (% Change - Annualized)

International indices	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
Bloomberg Euro 500	11.0%	-1.7%	5.0%	6.2%	3.2%	5.2%	3.0%
FTSE Eurotop 100	13.2%	2.6%	9.1%	7.7%	3.5%	5.0%	2.9%
FTSE 100 (England)	3.8%	2.3%	6.2%	2.8%	1.4%	3.8%	2.8%
Dax (Germany)	20.3%	2.7%	6.9%	9.7%	5.8%	8.7%	7.5%
CAC 40 (France)	16.5%	2.7%	10.8%	9.8%	5.8%	5.8%	3.8%
MSCI World	21.8%	-1.0%	5.6%	11.0%	6.7%	8.6%	5.7%
MSCI Emerging Markets	7.0%	-8.8%	-7.4%	1.2%	0.2%	4.0%	4.3%
MSCI Emerging Markets – Total Return	10.3%	-5.9%	-4.7%	4.1%	3.0%	6.9%	7.2%
MSCI EAFE	15.0%	-2.2%	1.4%	5.4%	1.6%	4.0%	2.8%
MSCI EAFE – Total Return	18.9%	1.1%	4.5%	8.7%	4.8%	7.4%	6.1%
Nikkei 225 (Japan)	28.2%	7.8%	6.8%	10.8%	7.5%	9.3%	5.9%
Hang Seng (Hong Kong)	-13.8%	-14.6%	-14.5%	-8.0%	-3.1%	1.1%	1.5%
ASX 200 (Australia)	7.8%	1.0%	4.8%	6.1%	3.6%	4.9%	4.3%
Taiwan Weighted	26.8%	-0.8%	6.8%	13.0%	7.6%	9.5%	5.7%
Sensex 30 (India)	18.7%	11.4%	14.8%	14.9%	13.1%	14.4%	13.4%

Index returns in Canadian dollars – Price performance (% Change)

Index returns in Canadian dollars	Price	1 Month	3 Months	6 Months	YTD
S&P/TSX Composite	20,958	3.6%	7.3%	4.0%	8.1%
S&P/TSX Composite - Total Return	84,037	3.9%	8.1%	5.7%	11.8%
S&P 500 Index	6,300	1.5%	8.5%	7.0%	21.3%
S&P 500 Index - Total Return	13,640	1.6%	8.9%	7.9%	23.3%
Dow Jones Industrial Average	49,777	1.9%	9.7%	9.4%	11.0%
Dow Jones Industrial Average - Total Return	122,337	2.0%	10.3%	10.5%	13.4%
Russell 2000	2,677	8.9%	10.7%	7.1%	12.3%
Nasdaq Composite Index	19,825	2.6%	10.7%	8.7%	40.0%
Bloomberg Euro 500	449	2.2%	7.8%	3.8%	11.9%
EURO STOXX 50	6,607	1.9%	10.5%	4.0%	20.2%
EURO STOXX 50 -Total Return	15,343	1.9%	10.7%	4.5%	23.2%
MSCI World	4,186	1.9%	8.3%	6.6%	18.9%
MSCI Emerging Markets	1,352	0.8%	4.8%	3.3%	4.5%
MSCI Emerging Markets -Total Return	3,488	1.1%	5.2%	4.7%	7.6%
MSCI EAFE	2,953	2.3%	7.3%	4.7%	12.3%
MSCI EAFE - Total Return	14,122	2.4%	7.7%	5.8%	16.0%
MSCI Far East	4,910	1.6%	4.7%	3.7%	10.1%

Index returns in Canadian dollars – Price performance (% Change - Annualized)

Index returns in Canadian dollars	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
S&P/TSX Composite	8.1%	-0.6%	6.3%	7.9%	4.4%	5.8%	4.8%
S&P/TSX Composite - Total Return	11.8%	2.6%	9.6%	11.3%	7.6%	9.0%	7.8%
S&P 500 Index	21.3%	2.2%	9.5%	13.0%	12.4%	12.3%	7.7%
S&P 500 Index - Total Return	23.3%	3.9%	11.2%	15.0%	14.5%	14.6%	9.8%
Dow Jones Industrial Average	11.0%	4.1%	8.4%	9.4%	10.9%	10.8%	6.7%
Dow Jones Industrial Average - Total Return	13.4%	6.3%	10.6%	11.8%	13.5%	13.5%	9.3%
Russell 2000	12.3%	-2.9%	2.0%	7.8%	8.0%	10.4%	6.8%
Nasdaq Composite Index	40.0%	0.1%	6.4%	17.0%	16.1%	16.8%	10.7%
Bloomberg Euro 500	11.9%	-0.9%	2.7%	4.9%	3.2%	4.1%	2.5%
EURO STOXX 50	20.2%	3.3%	6.0%	7.1%	3.8%	3.1%	1.9%
EURO STOXX 50 -Total Return	23.2%	5.9%	8.5%	9.7%	6.4%	6.1%	4.8%
MSCI World	18.9%	1.2%	6.8%	10.3%	9.0%	9.2%	5.8%
MSCI Emerging Markets	4.5%	-6.9%	-6.4%	0.5%	2.4%	4.6%	4.4%
MSCI Emerging Markets -Total Return	7.6%	-3.9%	-3.6%	3.4%	5.3%	7.5%	7.3%
MSCI EAFE	12.3%	0.0%	2.5%	4.7%	3.8%	4.6%	2.9%
MSCI EAFE - Total Return	16.0%	3.3%	5.7%	8.0%	7.1%	8.0%	6.2%
MSCI Far East	10.1%	-1.3%	-1.4%	2.7%	4.5%	4.3%	2.8%

Commodities – (% Change)

Commodities	Price	1 Month	3 Months	6 Months	1 Year	YTD
Gold Spot (US$/oz)	2,062.98	1.3%	11.6%	7.5%	13.1%	13.1%
Silver (US$/oz)	23.80	-5.8%	7.3%	4.5%	-0.7%	-0.7%
Brent Crude Oil	77.04	-7.0%	-19.2%	2.9%	-10.3%	-10.3%
West Texas Intermediate Oil	71.65	-5.7%	-21.1%	1.4%	-10.7%	-10.7%
NYMEX Natural Gas	2.51	-10.3%	-14.2%	-10.2%	-43.8%	-43.8%
Spot Nat. Gas (AECO Hub - USD)	1.30	-32.3%	-27.4%	-31.9%	-60.0%	-60.0%
Lumber	572.50	5.9%	9.3%	0.1%	16.8%	16.8%
Copper 3-month	3.88	1.1%	3.5%	2.9%	2.2%	2.2%
Nickel 3-month	7.53	-0.3%	-11.2%	-19.1%	-44.7%	-44.7%
Aluminum 3-month	1.08	8.7%	1.6%	10.8%	0.3%	0.3%
Zinc 3-month	1.21	7.4%	0.3%	11.3%	-10.6%	-10.6%

Currencies – (% Change)

Currencies	Price	1 Month	3 Months	6 Months	1 Year	YTD
CAD/USD	0.7551	2.4%	2.5%	0.0%	2.3%	2.3%
EURO/CAD	1.4624	-1.0%	1.9%	1.2%	0.8%	0.8%
EURO/USD	1.1039	1.4%	4.4%	1.2%	3.1%	3.1%
USD/YEN	141.0400	-4.8%	-5.6%	-2.3%	7.6%	7.6%
U.S. Dollar Index	101.3330	-2.1%	-4.6%	-1.5%	-2.1%	-2.1%

Bond returns – Total return (% Change)

Bond Index	1 Month	3 Months	6 Months	1 Year	YTD
FTSE Canada Bond Universe Index	3.4%	8.3%	4.1%	6.7%	6.7%
FTSE Canada Long Term Bond Index	6.1%	14.8%	3.9%	9.5%	9.5%
FTSE Canada Mid Term Bond Index	3.7%	8.3%	4.2%	6.1%	6.1%
FTSE Canada Short Term Bond Index	1.5%	4.1%	4.0%	5.0%	5.0%

Government Yields

Government Notes	Yield	1 Month	3 Months	6 Months	1 Year
Canada 3-month T-Bills	5.04%	5.00%	5.07%	4.90%	4.23%
Canada 5yr Notes	3.18%	3.63%	4.25%	3.69%	3.41%
Canada 10yr Notes	3.11%	3.55%	4.03%	3.27%	3.30%
Canada 30yr Bonds	3.03%	3.36%	3.81%	3.09%	3.28%
U.S. 3-month T-Bills	5.33%	5.39%	5.45%	5.28%	4.34%
U.S. 5yr Notes	3.85%	4.27%	4.61%	4.16%	4.00%
U.S. 10yr Notes	3.88%	4.33%	4.57%	3.84%	3.87%
U.S. 30yr Bonds	4.03%	4.49%	4.70%	3.86%	3.96%

S&P/TSX GICS sectors – Price performance (% Change)

S&P/TSX GICS Sectors	1 Month	3 Months	6 Months	1 Year	YTD	Index Weight (%)
Consumer Discretionary	2.8%	6.7%	-1.4%	8.5%	8.5%	3.6%
Consumer Staples	2.5%	7.6%	5.9%	10.5%	10.5%	4.2%
Energy	-3.4%	-2.6%	6.1%	1.0%	1.0%	17.1%
Energy - Integrated Oil & Gas	-5.6%	-13.5%	5.9%	-4.5%	-4.5%	3.2%
Energy - Oil & Gas Exploration & Production	-5.8%	-7.3%	8.9%	3.9%	3.9%	6.0%
Energy - Pipeline	0.6%	7.7%	-1.4%	-6.6%	-6.6%	6.4%
Financials	7.6%	11.7%	7.4%	9.1%	9.1%	31.3%
Financials - Banks	9.1%	10.6%	5.4%	3.8%	3.8%	20.6%
Financials - Insurance	4.1%	10.8%	8.2%	17.9%	17.9%	4.5%
Real Estate	8.4%	9.6%	1.9%	2.9%	2.9%	2.4%
Health Care	12.6%	1.3%	15.3%	15.6%	15.6%	0.3%
Industrials	6.3%	7.1%	2.3%	10.5%	10.5%	13.7%
Information Technology	3.7%	23.9%	14.6%	68.8%	68.8%	8.7%
Materials	1.2%	1.4%	-2.9%	-3.3%	-3.3%	11.0%
Materials - Gold	-2.2%	9.5%	1.4%	2.4%	2.4%	6.3%
Materials - Base Metals	8.9%	-2.1%	-1.7%	6.8%	6.8%	1.3%
Materials - Fertilizers	2.9%	-11.0%	-4.6%	-24.5%	-24.5%	1.2%
Communication Services	-0.4%	6.0%	-8.6%	-9.2%	-9.2%	3.7%
Utilities	4.9%	6.8%	-7.0%	-4.3%	-4.3%	4.0%

Strategic asset allocation[1] (in C$) - Performance (% Change - Before Fees)

Strategic Asset Allocation (in C$)	1 Month	3 Months	6 Months	1 Year	YTD
Capital Preservation	2.8%	6.7%	4.1%	7.8%	7.8%
Income	3.2%	7.5%	4.5%	9.2%	9.2%
Income & Growth	3.6%	8.3%	5.3%	12.4%	12.4%
Growth	4.0%	9.2%	6.0%	15.2%	15.2%
Aggressive Growth	4.5%	10.2%	6.8%	18.8%	18.8%

CIBC World Markets Interest Rate Outlook

Interest Rates (%) – End of Qtr	31-Dec-23	Mar-24	Jun-24
Canada 3-month T-Bill	5.04%	5.05%	4.60%
U.S. 3-month T-Bill	5.33%	5.30%	5.25%
Canada 10-year Gov't Bond Yield	3.11%	3.65%	3.50%
U.S. 10-year Gov't Bond Yield	3.88%	4.55%	4.40%
US$ / C$	0.76	0.70	0.72

Source: CIBC World Markets Inc.

CIBC World Markets Economic Outlook

Economic Outlook	2023F	2024F	2025F
Canada Real GDP Growth (% Chg)	1.1%	0.6%	2.1%
U.S. Real GDP Growth (% Chg)	2.5%	1.5%	1.7%
Canada Consumer Price Index (% Chg)	3.9%	2.2%	2.0%
U.S. Consumer Price Index (% Chg)	4.8%	2.9%	2.3%
Canada Unemployment Rate (%)	5.4%	6.1%	5.6%
U.S. Unemployment Rate (%)	3.7%	4.2%	4.0%

Source: CIBC World Markets Inc.

[1] Refer to the Strategic asset allocation in Appendix 1

Appendix 1: Strategic Asset Allocation

Capital Preservation: 5% Global Equity, 15% Canadian Equity, 55% Bonds, 25% Cash

Income: 10% Global Equity, 20% Canadian Equity, 55% Bonds, 15% Cash

Income & Growth: 25% Global Equity, 30% Canadian Equity, 35% Bonds, 10% Cash

Growth: 40% Global Equity, 30% Canadian Equity, 25% Bonds, 5% Cash

Aggressive Growth: 60% Global Equity, 30% Canadian Equity, 10% Bonds, 0% Cash

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