CIBC Wood Gundy | R&R Investment Partners

R&R Report

July 2021

AT R&R INVESTMENT PARTNERS: OUR MISSION IS TO SIMPLIFY YOUR FINANCIAL LIFE SO YOU CAN LIVE YOUR LIFE DOING WHAT YOU TRULY LOVE

Because everyone deserves straightforward advice, where you are treated like family.

Our mission is displayed on our website, but we would like to make special mention of it in this report, because it is what brings us to work everyday. Our mission was not developed by lawyers or conceived by a consultant, it is simply who we are and how we feel about working with you.

We have heard your stories and are glad that we were able play a small part in freeing you up to do what you love to do! Whether that is being with your grandkids, working at the job/business you love, spending time on your charitable endeavours that you are passionate about, or assisting your aging parents.

The Three Minute Summary

The last 18 months have solidified the fact that successful wealth accumulation is more about managing oneself, and particularly ones emotions, than anything else. Investors have been inundated with messages of fear, uncertainty and doubt the last 18 months, only to see that their portfolios, if they stayed the course and followed a well thought out plan, are at all time highs.

How did this happen?

Governments stepped in and filled the income gap from their self-induced recession, they unfroze credit markets and the world is and has been in economic recovery. As always after a recession or world disruption, corporate earnings have recovered, people are living their lives and getting out of their homes, and the stock market, always looking forward, has reflected this reality.

In a recent survey of 8,550 global investors, the French corporate and investment bank Natixis found that all this good news has only left people worried! Their top worries are volatility, a slow recovery, inflation, low interest rates and taxes. Our response to these investor fears is simple and timeless: Investors should always expect volatility but not fear it; we are seeing that the recovery is not slow, it has been rapid, and we cover the details below. Interest rates are indeed low, and if you are holding cash beyond your near-term spending needs and holding it out of fear of not wanting to invest for the long term, you are losing money after tax and to the ravages of inflation in a way not seen in 30 years. We consider this a poor strategy.

Holding excess cash is actually the riskiest thing you can be doing even though you feel that it is safe.

With taxes expected to rise to pay for the greatest government spending since WWII, the sensible investor playbook of what to do next is unchanged—acknowledge the facts and avoid the noise and focus on your goals and your life. Keep cash for near-term needs in the currency in which you plan to spend it, manage your debt levels and your personal spending, invest your long-term capital for growth in a disciplined strategy that owns quality companies that can increase their earnings, dividends and cash flow beyond inflation, and let your capital compound through the inevitable fits and starts the economy and stock market will have.

The talking head on TV wants you to look left and right and to be afraid, the financial media want you glued to the TV or a webpage all day. Place your confidence in the fact that innovation, the human spirit and all of us going to work every day to better our lives is improving the economy, social structures and, as a result, corporate profits which will continue to drive stock prices as they always have for the last 100 years. That is the intelligent and rational approach to long-term investing predicated on personal goals.

We would like to thank you for your trust and look forward to your calls, emails, and our discussions. We wish your family all the best for the rest of 2021.

Top Five Equity Holdings per Strategy*

	Disclaimers
Income	
• KEYERA CORP	2a,2c,2e,2g,7
• NATIONAL BANK OF CANADA	2a,2c,2e,2g,3a,3c,7
• ROYAL BANK OF CANADA	---
• ALIMENTATION COUCHE-TARD INC CL B	12,2g
• TORONTO DOMINION BANK	---
Income & Growth	
• ROYAL BANK OF CANADA	---
• TORONTO DOMINION BANK	---
• BANK OF MONTREAL	2a,2c,2e,2g,3a,3c,7
• JPMORGAN CHASE & CO	---
• CANADIAN NATURAL RESOURCES LIMITED	2a,2c,2e,2g,7
Moderate Growth	
• KEYERA CORP	2a,2c,2e,2g,7
• NATIONAL BANK OF CANADA	2a,2c,2e,2g,3a,3c,7
• ROYAL BANK OF CANADA	---
• TORONTO DOMINION BANK	---
• CCL INDUSTRIES INC CL B	13,2g
Dividend Growth	
• JPMORGAN CHASE & CO	---
• BLACKROCK INC	---
• UNION PACIFIC CORP	---
• ROYAL BANK OF CANADA	---
• TORONTO DOMINION BANK	---
Active Growth	
• FORTINET INC	---
• POOL CORPORATION	---
• TFI INTERNATIONAL INC	---
• LAM RESEARCH CORP	---
• S&P GLOBAL INC	---
Dynamic Growth	
• ROYAL BANK OF CANADA	---
• TORONTO DOMINION BANK	---
• SHOPIFY INC	---
• ENBRIDGE INC	2g,7
• BANK OF MONTREAL	2a,2c,2e,2g,3a,3c,7
Canadian Dividend Income	
• KEYERA CORP	2a,2c,2e,2g,7
• NATIONAL BANK OF CANADA	2a,2c,2e,2g,3a,3c,7
• ROYAL BANK OF CANADA	---
• CCL INDUSTRIES INC CL B	13,2g
• TORONTO DOMINION BANK	---
U.S. Dividend Income	
• NOVO NORDISK A S ADS	---
• HP INC	---
• TEXAS INSTRUMENTS INC	---
• HOME DEPOT INC	---
• UNITED PARCEL SERVICE INC	---

*Top five equity holdings per model; in descending order, as a percentage of the portfolio. Individual account holdings may differ. As of June 30, 2021. ***This list is provided for informational purposes only and does not constitute an offer or solicitation to buy or sell any securities listed above.***

IS THE SKY FALLING?

The COVID pandemic of 2020 and the corresponding recession induced by global government shutdowns, and the rapid economic and equity market recovery, has proven again that as goal-focused long-term advisors/ investors the best course of action for the families we serve is to:

- Ignore short-term noise
- Formulate a financial plan based on your thoughtful goals
- Create investment portfolios not based on a view of economy or markets, but rather on your most important financial life goals and the time horizons when those goals will occur

We believe that acting continuously on your rational plan—as distinctly opposed to reacting to current events—offers you the best chance for long-term investment success, and the real-world experience of many of our clients supports this. The bottom line is that unless your goals change, or if you have a major unexpected life event, there is very little reason to alter a well thought out plan.

In fact, since we do not believe the economy can be consistently forecast, nor the markets consistently timed, the most reliable way to achieving your goals is to have an asset mix you can live with through the frequent, but ultimately temporary, market declines that are sure to occur. As has been said, the meeting room for successful market timers is empty.

As mentioned earlier, if you had left town in January 2020, never tuned in to the news, and checked your portfolio today, you would be shocked to see that if you had stayed the course, your portfolio is at all time highs. Yet today, of 8,550 investors surveyed from 24 countries by Natixis, their top worries are:

1. Volatility
2. Slow recovery
3. Inflation
4. Low interest rates
5. Tax increases

The temptation to change course has never been higher, but as goal focused advisors/investors we should not focus on today and instead focus on the more certain long-term as we don’t know what the market is going to do next, but we do know what it is going to do ultimately, and that is to go up with temporary declines along the way.

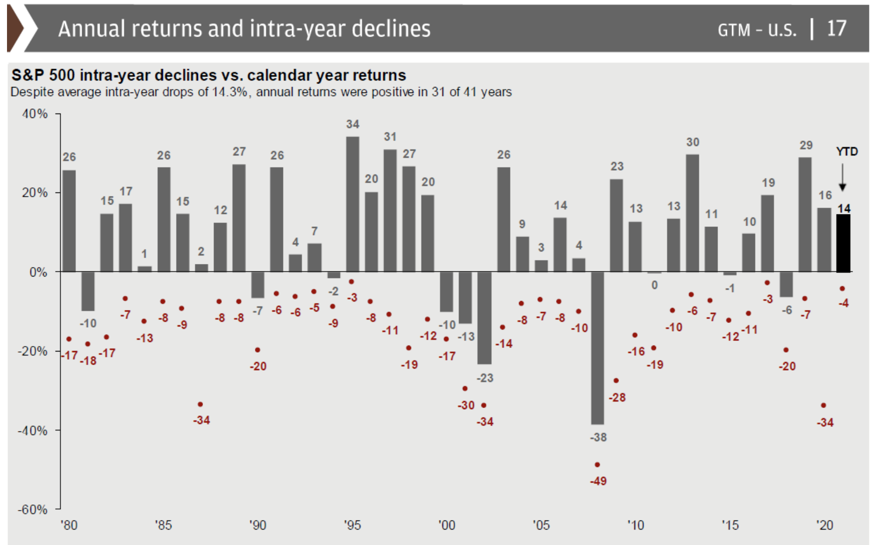
Should you be worried about volatility?

We think that in order to be a successful long-term and goal-focused investor you need three traits.

1. An attitude of expectation, *not* surprise, that markets go up and down. Volatility is normal and not to be avoided, it is the price of admission to the returns that equities provide, which will be *much* higher over the medium to long-term than the yield cash provides.
2. A belief that when the market corrects, it has recovered and reached all time highs, 100% of the time, which has been demonstrated throughout market history. That fact bears repeating, as the financial media seems to want you to believe otherwise.
3. An understanding that if you have a proper financial plan, your cash bucket is full and your debt level is manageable, your best course of action is to stick to the plan and, if possible, add investable cash to the plan.

The truth about volatility (i.e. market fluctuations)

On average, as shown in the chart to the right, the US stock market (as measured by the S&P 500) drops by 14.3% in any given calendar year, *even when the market has a positive year overall*. That means your $1m drops to $860k or your $10m drops to $8.6m and you *will* notice that, which is uncomfortable when you check your account online with your morning coffee. Last year the COVID recession and its 34% market decline ranked as tied with two others for second deepest intra-year decline since 1980.



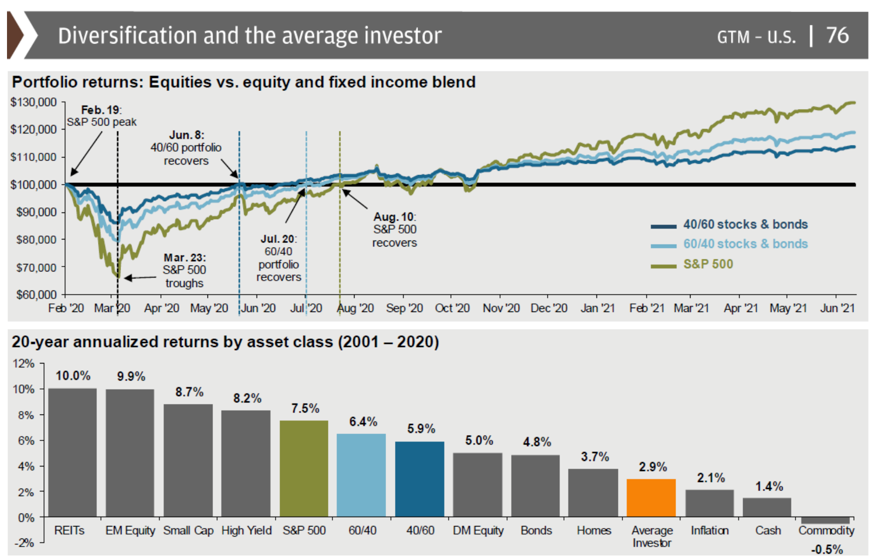
Source: JP Morgan Asset Management, *Market Insights*, *Guide to the Markets | U.S. | 3Q 2021 | As of June 30, 2021*

If you have a sensible and well-thought-out financial plan, the smart way to deal with inevitable market corrections is to stay the course. The misguided way is to think that you know when a correction will happen and get out of the way beforehand to invest at the bottom. This is a great temptation as it seems very appealing and some will tell you they have done it or will do it for you. As Warren Buffet says, "I will not be their partner, but would love to be their broker", meaning simply he would rather get paid transactional fees on their losing trades than risk his capital as a partner investing in a market timing "strategy".

Investors often say that they are waiting for a correction (i.e. stocks are on sale at a discount!) to invest, yet when the correction comes the data shows that investors become emotionally handcuffed to the point where they cannot bring themselves to do it. To wit, here is what investors actually did during COVID: Less than 1 in 5 investors added more to their portfolios during COVID and just over 1 in 10 added more to their retirement plan contributions[1]. This means 4 out of 5 investors did *not* add capital and 9 out of 10 *did not* increase contributions.

This is why behaviour matters to real world client returns and, in turn, your entire wealth picture. It matters more than the actual investment or strategy you own as shown by the graph to the right.

The lower section of the image illustrates the detrimental effects of poor investor behaviour by showing the 20 year annualized returns for different asset classes and contrasting them to the average return achieved by investors of 2.9% (orange bar)[2], while even a 60% equity/40% bond portfolio achieved an annualized return of 6.4% (light blue bar)[3].



Source: JP Morgan Asset Management, *Market Insights*, *Guide to the Markets | U.S. | 3Q 2021 | As of June 30, 2021*

Conclusion:

"The investor's chief problem, and even his worst enemy, is likely to be himself" - *Benjamin Graham*

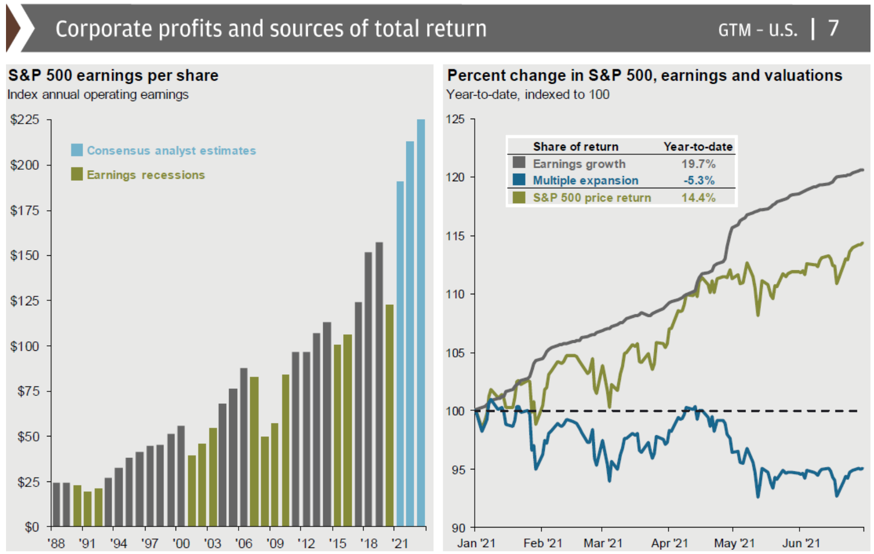
1. Source: Natixis
2. Average asset allocation investor return is based on an analysis by Dalbar Inc., which utilizes the net of aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior.
3. 60/40: A balanced portfolio with 60% invested in S&P 500 Index and 40% invested in high-quality U.S. fixed income, represented by the Bloomberg Barclays U.S. Aggregate Index. The portfolio is rebalanced annually.

We could end this report here as that is how important behaviour is, but we will carry on with a few topics of the day that we hear frequently during our numerous client conversations.

Slow Recovery

The illusion is that we are having a slow recovery. The reality is that the recovery is one of the quickest in history and new investment by industry will continue to drive the economy, job growth and consumer spending.

Earnings for the S&P 500 (the index of the 500 largest US companies), are back to all time highs (left section of the chart to the right). Since 1988 we can see that earnings have grown over time despite the normal recessionary fits and starts in 1990, 2001, 2007, and the economic slowdowns in 2015 and 2020. Earnings grow over time and earnings are what drive stock prices.

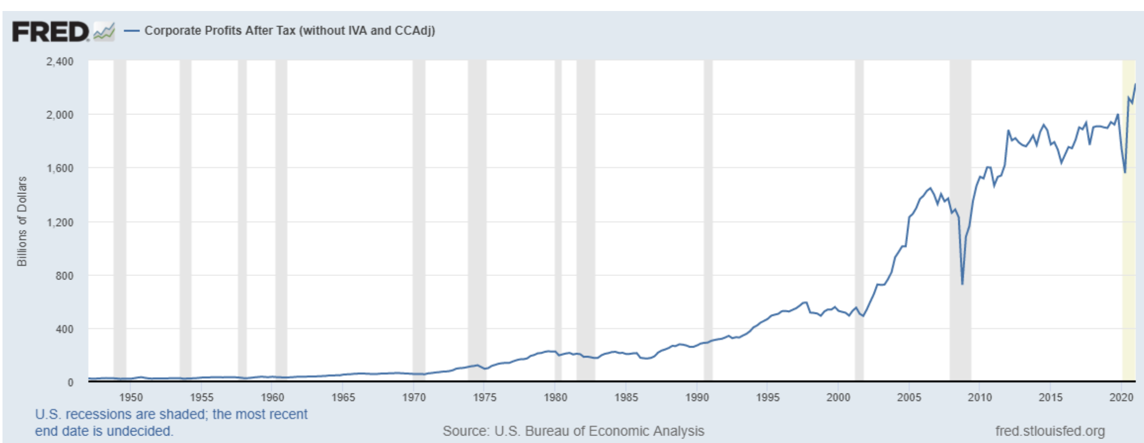


Source: JP Morgan Asset Management, *Market Insights*, *Guide to the Markets | U.S. | 3Q 2021 | As of June 30, 2021*

As of June 30, 2021, earnings growth is up 19.7% and the US equity market is up 14.4% (right section of the chart to the right, in USD). This means the market is now 5.3% cheaper than the start of the year, but this is not talked about and that is why it remains obscure knowledge. Why is the market up? Jobless claims are down, and staffing, weekly retail sales, box office receipts, rail traffic, steel production, and hotel occupancy are all up.

We are and we have been in a recovery

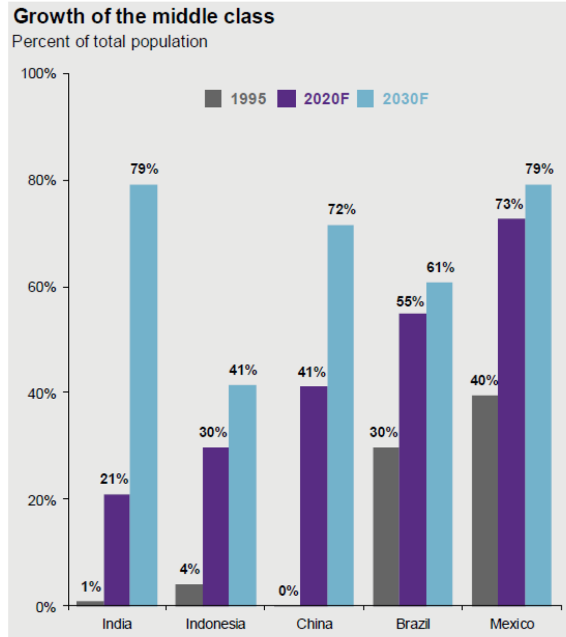
Earnings have grown over the very long-term as well, and accepting this truth will help you avoid the fears of the day. The chart directly below shows long-term earnings growth with the normal short-term declines during recessions (the shaded grey bars). One thing to note here is that after every single recession **earnings have reached new highs each and every time without fail**. It is nothing short of audacious to bet against this historical fact when the next correction/ recession comes.



Source: fred.stlouisfed.org. As of June 24, 2021

Another factor helping to fuel a recovery is that the world also has a growing middle class. This is a secular (i.e. long-term) growth theme. As shown on the chart to the right, as one example, India has 21% of its population in the middle class and that is expected to grow to 79% by 2030. These people will want what we have grown accustomed to and often take for granted: Heating and cooling for their homes, clean and hot water, TVs, stoves, dishwashers, and washing machines. All of the aforementioned will require more energy, and capital investment by the companies who provide these products and services. To reiterate—this is a long-term growth theme.

In spite of what we read, the average person today also lives a more opulent life than the wealthiest 20% of the population 100 years ago and exists in a society with more material comforts that is more equal, and more tolerant. If you doubt this, look at a newspaper from 1907 or 1925, and look at the photos of city sanitation, and read about access to education or the availability of health care. Do we have more to do and much to improve? Of course we do, but we should realize that things are better than they are portrayed to be even though a lot of work remains to be done.

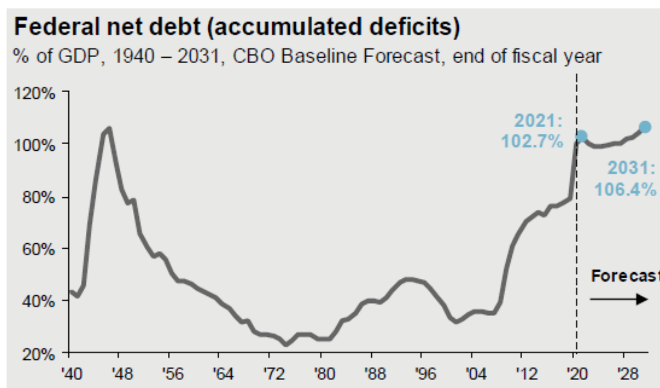


Source: JP Morgan Asset Management, *Market Insights*, *Guide to the Markets | U.S. | 3Q 2021 | As of June 30, 2021*

Is there a government debt problem?

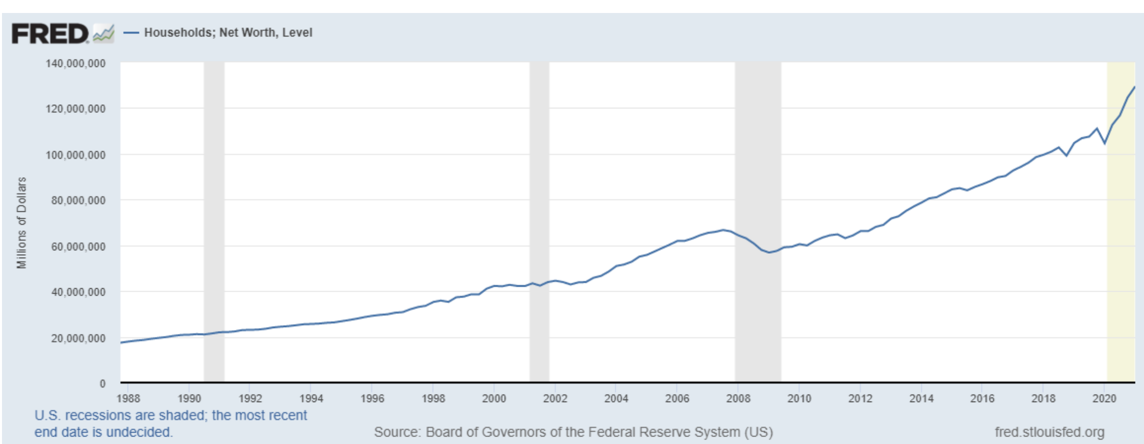
As we have written before, and as shown by the chart to the right, debt levels as a share of the economy are at historical highs, just like post WWII. We can also tell you from our study of history that people were scared stiff post WWII that we would enter another depression once the soldiers came home and took back the jobs they left that were filled by women during the war to backstop the economy. We now know this depression did not happen and the world worked through the rebuilding of Japan, Europe, etc.

This was a series of problems that make today seem pretty simple in comparison.



Source: JP Morgan Asset Management, *Market Insights*, *Guide to the Markets | U.S. | 3Q 2021 | As of June 30, 2021*

On a personal level, Household Net Worth is also at an all time high (see chart directly below). Is this wealth disproportionate to the top 20% of the population? Yes it is. Is there income disparity in North America from the top 20% and the bottom 20%? Yes there is. As goal focused long-term investors we expect that these issues will be sorted out over time just like the post WWII issues that at first looked unsolvable.



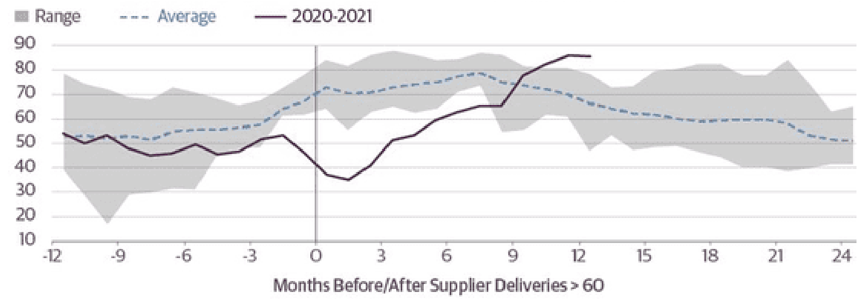
Source: fred.stlouisfed.org. As of June 10, 2021

Inflation, or deflation?

This is the topic of the day and inflation is the bugbear in the room. What we need to remember is that prices have risen from the artificial lows of last year as we should have expected them to. Add to this supply chain problems from manufacturing shutdowns (see chart to immediate right), and you can rationalize why prices are higher. This inflation spike also happened in 2010/2011 coming out of the 2008 recession and it was temporary.

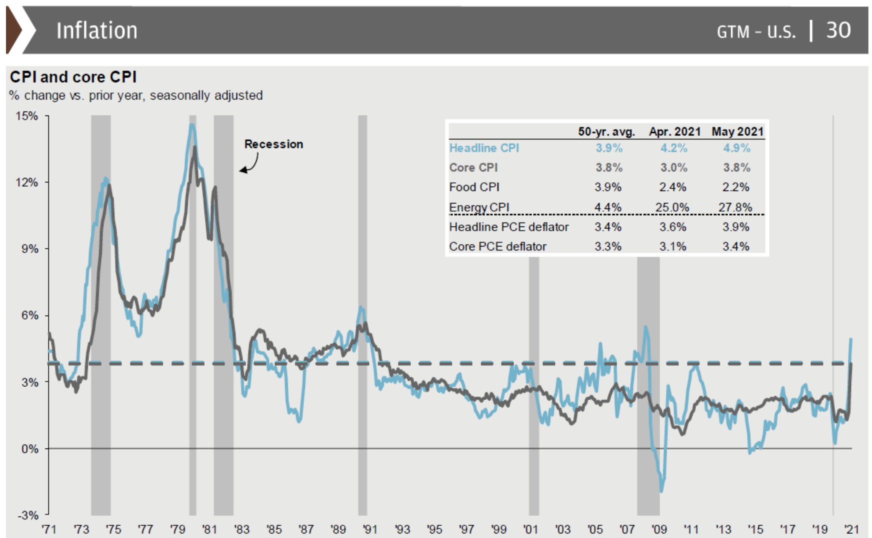
History Shows Manufacturing Supply Chain Pressures Will Ease

ISM Manufacturing Prices (Diffusion Index) Around Supply Disruptions (1980–Present)



Source: Guggenheim Investments, Haver Analytics. As of March 31, 2021. Supply disruptions defined as ISM Manufacturing Supplier Deliveries Subindex Rising above 60. Seven historical episodes are covered by the range and average.

Neither we, the Federal Reserve Board (the Fed), nor anyone else knows what will happen with inflation, but history tells us that when there has been disruption, as the Inflation graph below illustrates, prices (blue line) tend to rise and then decline within two years of the disruption. Is this time different, as money supply growth is larger than what we have seen in the last 50 years? It is certainly possible that we will see growth in creeping inflation for a longer period due to money supply growth, but it is equally possible that technology, the Fed shrinking the money supply, and demographics could replay the Japanese experience.



Source: JP Morgan Asset Management, *Market Insights*, *Guide to the Markets | U.S. | 3Q 2021 | As of June 30, 2021*

There are many opinions on inflation but what actions should you take?

- Only hold cash that you require for your near-term needs. Do not hold cash for the long-term.
- Do not own fixed income for the long-term that pays a rate less than inflation. You will lose money after inflation and taxes.
- Own equities that do not need massive capital investment that chews up cash, own companies that generate cash and have pricing power. These companies are our focus in Canadian Dividend Income, US Dividend Income, Dividend Growth and Global Equity, to name a few.
- Own companies that can grow earnings, dividends and cash flow.

Low interest rates and taxes

The Fed has committed to keeping rates low, but they may start rising in the next 12 to 18 months; regardless it is expected they will gravitate toward keeping rates too low for too long. Having said all that, a change of mind at the Fed is not unheard of either. Low rates punish savers who, after inflation, lose real purchasing power annually, but this is the playbook for paying down government debts. Some form of inflation and increased taxes have historically been the methods governments tend to utilize, and it should be the same plan this time.

We expect that dividends and capital gains will continue to be preferred over interest income in non-registered accounts as they are taxed more favourably, even as taxes move higher.

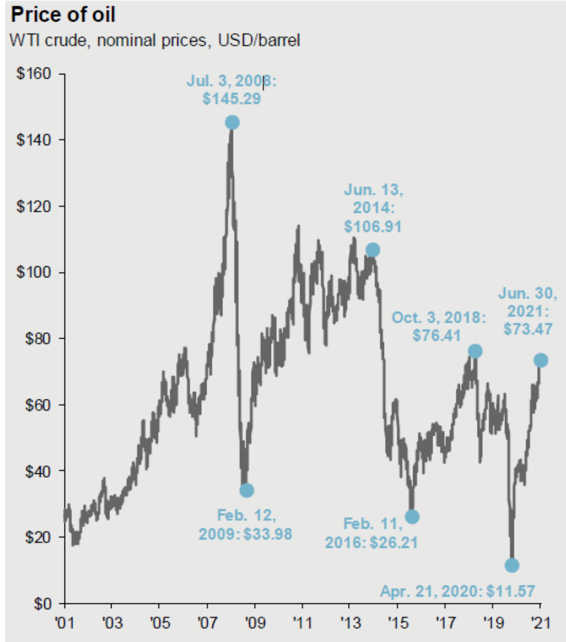
Oil and the Canadian/US Dollar

Oil and the Canadian dollar have had a strong rebound. You can see from the chart to the right that oil's rally has so far still kept it below its last three peak prices.

Regarding currency, the number of people who forecast currency movements is a much bigger number than the number of people who can make a living from accurately forecasting same, so we will try to offer some perspective instead of a prediction. Accordingly, we will merely reiterate our position:

- When our dollar is around par with the U$ it historically has been overvalued.
- When our dollar is worth around U$0.70, it has been undervalued.
- When it is worth around U$0.80 the next five cent move, plus or minus, is anyone's guess.

We think currency is a good diversifier and the currencies you hold for cash should simply reflect your near-term spending needs.



Source: JP Morgan Asset Management, *Market Insights*, *Guide to the Markets | U.S. | 3Q 2021 | As of June 30, 2021*

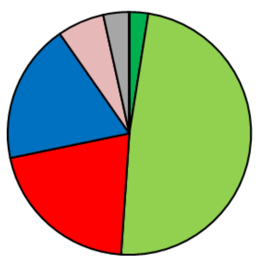
R&R Investment Partners' Strategies

Annualized Returns (%)	2021 YTD	5 Years*	10 Years*
Canadian Focused Balanced Strategies			
Income	6.02	5.83	7.10
Income & Growth	6.96	5.58	7.29
Global Balanced Strategies			
Moderate Growth	7.66	8.21	8.39
Dynamic Growth	10.02	8.96	7.29
Canadian Equity Strategies			
Canadian Dividend Income	12.24	7.96	8.14
North American Equity Strategies			
Dividend Growth	14.81	10.85	11.02
Active Growth	12.10	9.14	8.59
U.S. Equity Strategy			
U.S. Dividend Income**	15.29	N/A	N/A

Source: AMA program. All returns are gross of fees. As at June 30, 2021. *Values in percentage are annualized for periods of more than twelve months. Methodology disclaimer, "AMA Composite Performance", can be found on the last page.

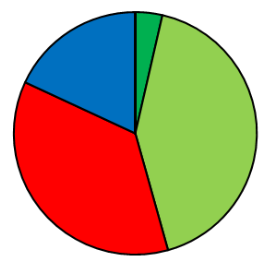
Income Strategy

Cash	2.49%
Fixed Income	48.60%
Canadian Equity	20.66%
U.S. Equity	18.57%
Foreign Equity	6.23%
Emerging Markets Equity	3.45%



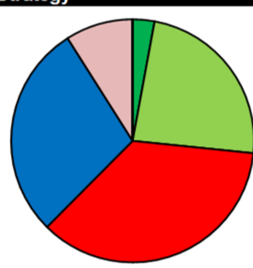
Income & Growth Strategy

Cash	3.58%
Fixed Income	42.08%
Canadian Equity	36.26%
U.S. Equity	18.08%
Foreign Equity	0.00%
Emerging Markets Equity	0.00%



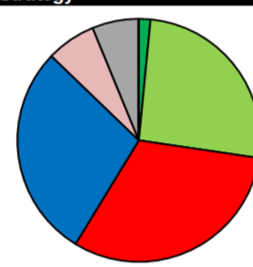
Moderate Growth Strategy

Cash	2.90%
Fixed Income	23.72%
Canadian Equity	35.83%
U.S. Equity	28.55%
Foreign Equity	8.99%
Emerging Markets Equity	0.00%



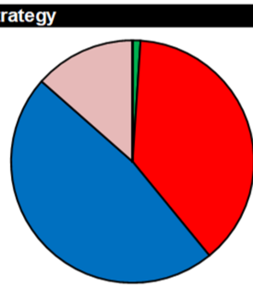
Dynamic Growth Strategy

Cash	1.54%
Fixed Income	25.79%
Canadian Equity	31.40%
U.S. Equity	28.46%
Foreign Equity	6.59%
Emerging Markets Equity	6.21%



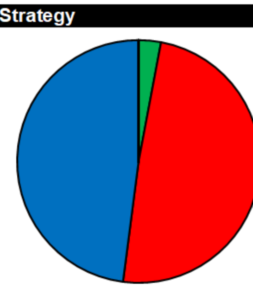
Active Growth Strategy

Cash	1.05%
Fixed Income	0.00%
Canadian Equity	38.06%
U.S. Equity	47.41%
Foreign Equity	13.48%
Emerging Markets Equity	0.00%



Dividend Growth Strategy

Cash	2.96%
Fixed Income	0.00%
Canadian Equity	49.10%
U.S. Equity	47.94%
Foreign Equity	0.00%
Emerging Markets Equity	0.00%

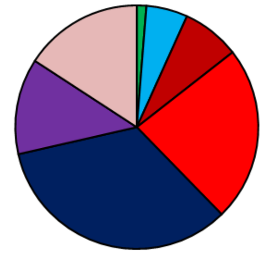


Canadian Dividend Income Strategy (Sector Allocations)

Cash & Equivalents	0.74%
Communication Services	5.72%
Consumer Discretionary	6.42%
Consumer Staples	11.48%
Energy	14.46%
Financials	20.90%
Industrials	11.07%
Information Technology	4.99%
Materials	12.93%
Real Estate	6.27%
Utilities	5.02%

US Dividend Income Strategy (Sector Allocations)

Cash & Equivalents	1.27%
Communication Services	5.50%
Consumer Discretionary	7.69%
Consumer Staples	23.24%
Health Care	33.74%
Industrials	12.74%
Information Technology	15.83%



*The asset and sector allocations shown are as of June 30, 2021.
**The asset and sector allocations shown are per model; individual account holdings may differ.

Broad Strategy Comments:

According to a survey put out by Natixis, today investors are expecting long-term returns of 14.5% after inflation, when the equity markets have historically delivered around 8% to 9%! Something is very wrong here and this is a behaviour problem. Not only are these expectations out of line, but they contribute to the core issue we try to solve as advisors when investors' expectations fall out of line with reality due to the heavy influence of recent healthy (and we would say above normal) returns.

Our strategies have performed as we would have expected them to year-to-date, in what has been a generally rising market. Yet, the only benchmark we truly care about is that of you being on track to reach your financial goals. Although we are pleased with how our strategies are behaving, we are more pleased to see when you are on track to reach your goals. This has everything to do with how 100% of your capital is allocated, and what is happening with your entire wealth picture and estate plan, not just one small piece of it.

As a reminder here is an overview on our mandates:

Balanced (50% Equity)

- Income
- Income and Growth

Balanced (70% Equity)

- Moderate Growth
- Dynamic Growth

100% Equity

- Canadian Dividend Income
- US Dividend Income
- Dividend Growth (North American Equity)
- Active Growth (North American Equity)
- Global Equity (This strategy has just launched, with a focus on large global brand companies)

Growing capital over the last decade

Data source: AMA program, as of June 30, 2021. Gross of fees returns. These calculations and projections are for demonstration purposes only. They are based on a number of assumptions and consequently actual results may differ, possibly to a material degree.

The two graphs above illustrate the results of two different approaches to capital growth. The Income Strategy, which is 50% stocks, uses a balanced approach, while the Dividend Growth Strategy uses a 100% equity approach.

What are the lessons to remember from these two graphs?

- Over time, and as expected, an all equity mandate fluctuates more and provides higher returns.
- Corrections (i.e. negative returns) are to be expected and are part of the permanent uptrend.
- There are periods when there is zero return, and there are periods when a positive return is greater than the trend.
- Conclusion: the full average return is only achieved by those who stick around for the long-term by following their well thought out plan.

Generating income in a zero interest rate world

Over the last couple of years, with interest rates at historical lows, we have run webinars and had discussions with clients about “earning income in a zero interest rate world” by discussing the workings of income notes, aka structured notes, and how they can be used in a portfolio to try and generate income above prevailing rates, which are basically nil.

We have been running a diversified strategy for clients that targets 6% to 8% annual gross returns, paid monthly, as long as markets do not fall by more than 30%. So, in short, it is a way to generate income in sideways and moderately down markets. With this income being taxed at your highest marginal rate, the strategy is preferred in registered accounts, although it can also make sense for those who do need non-registered income.

We think this strategy is sensible for bucket two money that can generate current income, and is also sensible for cash that you have sitting idle that is truly for mid to long-term investment. Please contact us if you would like to learn more, we can have a discussion and send a webinar link to see if this strategy makes sense for you and your goals.

We look on it as a privilege to serve the families we work with, and we take very seriously the trust you place on us to work with you and to work with the family, friends and colleagues that you have introduced to us in 2021.

Thank you and all the best for the rest of 2021!

R&R Investment Partners

Model Portfolio Strategy

Risk Management and Transparency

The portfolio is focused on 30 to 40 equities, yet diverse over asset classes in order to profit and protect.

We screen over 3,600 stocks and trusts daily according to our proprietary approach. Stocks that fail to meet our disciplined criteria are sold immediately.

We will have no more than 5% invested in any one company, we have no corporate buy lists to follow and we can own what we truly desire.

Your account is not a mutual fund, but individually segregated where you can see all holdings and transactions daily through your online access.

Market Timing and Big Picture Outlook

We are not market timers and prefer to be fully invested in equities for the portion of your portfolio that is allocated to this asset class (excluding the Dynamic Growth Strategy). However, we are dynamic and change stock positions frequently as our buy and sell signals warrant. We find that the best quality companies have the best potential to outperform over time if they were bought at the right price.

Our research and experience has taught us it is better to be invested with a dynamic sell discipline through all market cycles to achieve superior long-term returns. History has proven that your asset allocation is also very important. To this end, we review your asset allocation on a yearly basis to ensure it remains suitable for your present circumstances.

Our strategies allocate between ETFs, stocks, bonds and cash. They are constantly reviewed and modified according to our *big picture* macro outlook. We utilize a dynamic sell discipline to manage individual position risk and will change holdings frequently as our buy and sell signals warrant. Our research has indicated that superior long-term returns are achieved through a commitment to discipline and a sound personal asset allocation, which we construct personally for each client.

Investment Objective

Our return objective is for each strategy to beat their respective benchmark over a rolling five-year period.

Randy B. Yozipovic
Senior Portfolio Manager, First Vice-President

Ian S. Munro
Portfolio Manager, Investment Advisor

www.rrip.ca

AMA Composite Performance:

Performance results set out in this document are based on a composite of CIBC Wood Gundy Advisor Managed Accounts (“AMA”) with more than $75,000 invested in a specified investment strategy managed by the AMA Portfolio Manager. Composite inception date is based after the second month the first AMA account opened in the strategy. The subsequent AMA accounts in the strategy are included after second month following their inception. Also included in the composite are closed AMA accounts that held the strategy, up to the last full month the Strategy was held.

Composite performance returns are geometrically linked and calculated by weighting each AMA 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. Performance returns are expressed in stated strategy's base currency and are calculated based on gross of fees.

Individual account performance results for clients of AMA invested in the Strategy may also materially differ from the performance results set out in this document, which are based on the Composite, due to the factors described above, and other factors such as an account’s size, the length of time the Strategy has been held, cash flows in and out of the individual AMA client 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.

12 The equity securities of this company are subordinate voting shares.
13 The equity securities of this company are non-voting shares.
2a This company is a client for which a CIBC World Markets company has performed investment banking services in the past 12 months.
2c CIBC World Markets Inc. has managed or co-managed a public offering of securities for this company in the past 12 months.
2e CIBC World Markets Inc. has received compensation for investment banking services from this company in the past 12 months.
2g CIBC World Markets Inc. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
3a This company is a client for which a CIBC World Markets company has performed non-investment banking, securities-related services in the past 12 months.
3c CIBC World Markets Inc. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.
7 CIBC World Markets Corp., CIBC World Markets Inc., and their affiliates, in the aggregate, beneficially own 1% or more of a class of equity securities issued by this company.