



## 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

Working from home this morning I was disturbed by another Purolator delivery which I cautiously received at my front door and promptly engaged in my “de-risking process”- carried the box to the “basement clean room” and wiped it down, opened it up and crushed and stored the box in the re-cycle bin. Then washed and wondered for about 3 seconds: am I ok? Sure I am.

How long does this go on for? It’s not much different looking at the economy and waiting for everyone to reboot their lives to a somewhat different reality than the past. Time will tell what that looks like but rest assured market indexes will stabilize over time as most businesses survive and resume, albeit with some new health & HR regulations and logistics changes. Canada’s economic support of about \$100 billion will help here but is dwarfed by the approximately \$5 trillion enacted by the U.S. Federal Reserve, the Treasury, the Congress and Senate programs designed to support health and business there and, indirectly, Canadian businesses as well.

Many market commentators continue in this unprecedented time to allude to the adage “don’t fight the Fed” for direction quoting both the US and Euro central banks’ statements that they “will do whatever it takes” to support their respective economic recoveries. The economists Milton Friedman and Anna Jacobson Schwartz demonstrated in “A Monetary History of the United States” that a collapse in the quantity of money was the main cause of the Great Depression. Hoping to avoid a repeat, the Federal Reserve in recent weeks has poured money into the economy at the fastest rate in the past 200 years (Tim Congdon wsj). Let’s hope that the obvious opposite and unintended consequence (INFLATION) does not take over. The contrast between the Fed’s passive response to the Great Depression and its recent hyperactivity could hardly be greater. However, a “new normal” is still beyond our horizon ....and thus we remain cautious

China revealed on Friday April 17, 2020 its first quarterly fall in economic growth - a record down 6.8% from the same quarter in 2019. According to Statistics Canada The Consumer Price Index (CPI) rose just 0.9% on a year-over-year basis in March, down from a 2.2% gain in February.

For Q1 2020 (all measured in CAD unless specified otherwise) the Total Returns including reinvested dividends for the major indexes were: S&P/TSX Composite -20.9%; S&P 500 -11.8%; S&P 500 Index (USD) -19.6%; MSCI WORLD INDEX -7.93%; MSCI WORLD INDEX (USD) -20.93%. The FTSE TMX Canada Universe Bond Index fell +1.56%. The CAD dollar fell 8.89% versus the U.S.

The top 3 Q1 performers in the portfolio were: CASH (0.00%) BMO MSCI USA High Quality ETF (-8.1%), iShares S&P/TSX Capped Info Tech Index ETF (-8.2%). The bottom 3 performers were: Wisdomtree US Quality Dividend Growth Index ETF (-13.0%), BMO Low Volatility US Equity ETF (-10.4%) and iShares Edge MSCI Minimum Volume Global Index ETF (-8.7%).

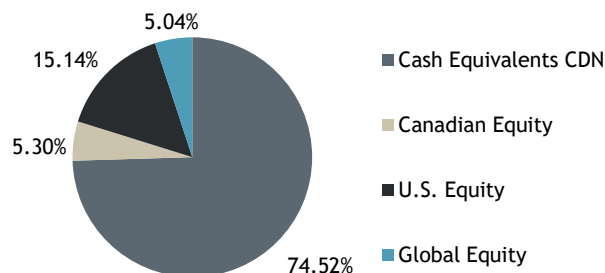
## ETF SELECTION PROCESS

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)              | 74.52%        |
| <b>TOTAL CASH &amp; EQUIVALENTS</b>          | <b>74.52%</b> |
| BMO Low Volatility US Equity ETF             | 4.85%         |
| Wisdomtree U.S. Quality Divid Grth Index ETF | 5.23%         |
| BMO MSCI USA High Quality                    | 5.06%         |
| <b>U.S. EQUITY TOTAL</b>                     | <b>15.14%</b> |
| iShares S&P/TSX Capped Info Tech Index ETF   | 5.30%         |
| <b>CANADIAN EQUITY TOTAL</b>                 | <b>5.30%</b>  |
| iShares Edge MSCI Min Vol Global Index ETF   | 5.04%         |
| <b>GLOBAL EQUITY TOTAL</b>                   | <b>5.04%</b>  |

## PERFORMANCE RETURNS

| %         | 3 Mo  | 6 Mo  | YTD   | 1Yr   | 3Yr  | 5Yr   | SI   |
|-----------|-------|-------|-------|-------|------|-------|------|
| Composite | -9.75 | -5.37 | -9.75 | 2.55  | 4.10 | 2.78  | 6.56 |
| Benchmark | -8.41 | -5.16 | -8.41 | -4.86 | 2.41 | 3.39  | 6.54 |
| Diff +/-  | -1.34 | -0.21 | -1.34 | 7.42  | 1.70 | -0.61 | 0.03 |

\*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.