



MANAGER COMMENTARY

What a difference a quarter makes as markets have recovered most of what they gave up in Q1. It is widely accepted that the state of the economy begins and ends with how the virus is being controlled.

The future direction of the economy, which continues to claw its way back from its fastest decline in history seems to be following the stock markets' upward trajectory, albeit less steeply. U.S. June Retail sales rose 7.5% and Industrial production rose 5.4% up from May's rise of 1.4%. Canadian Retail sales rose 18.7% in May and up 24.5% in June from May.

Much of that economic and market strength can be attributed to the Federal Reserve and other Central Banks, which is using monetary policy to backstop the consumer and equity markets. For example, The Bank of Canada revealed July 21st that, whereas it had ramped up its purchasing of treasury bills issued at each auction from March to June to 40% of the total amount, going forward it will reduce that to the "pre-pandemic" limit of 20%.

Although at the end of June U.S. core inflation came in at the low year-over-year rate of 1.2% commodities such as oil and copper were beginning to rise. International growth was mixed in Q2 with China leading the way up (June quarter up 3.2% according to Market Watch) but the Japanese economy is expected to continue to shrink.

Growth (higher P/E multiple) stocks have continued to significantly outperform value stocks those generally with lower relative price-to-book value and lower relative P/E). However as the Barrons Round Table panelists were quoted in early July, once again "so much stimulus has distorted asset prices and lifted stock indexes to nosebleed levels" and, once a virus is here, "the economy will heal, corporate losses will turn to profits again, and stocks will be valued according to traditional metrics, not pie-in-the-sky expectations of untenable growth!"

Maintaining a balance between cash and bonds and stocks has anchored the portfolios against some of the extreme volatility experienced year to date along with adding a small investment in volatility indexes as a hedge.

For Q2 2020 (all measured in CAD unless specified otherwise) the Total Returns including reinvested dividends for the major indexes were: S&P/TSX Composite +16.97%; S&P 500 +15.35%; S&P 500 Index (USD) +20.54%; MSCI WORLD INDEX +14.26%; MSCI WORLD INDEX (USD) +19.54%. The FTSE TMX Canada Universe Bond Index rose +5.87%. The CAD dollar rose 4.50% versus the U.S.

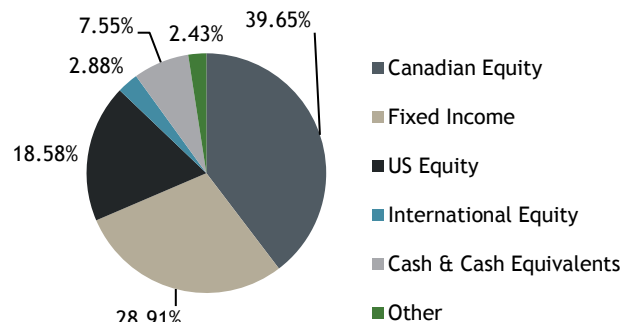
The top 3 performers in the portfolio were: Cenovus Energy Inc (+123.6%), Whitecap Resources Inc (+90.6%), Taseko Mines Ltd. (+76.3%). The bottom 3 performers were: Brookfield Asset Management (-28.4%), Walgreen Boots Alliance (-10.3%), and Barclays Bk PLC S&P500 VIX Mid (-7.7%).

During Q2, three equity positions were added: iShares S&P/TSX Global Gold ETF (+0.37%), Labrador Iron Ore Royalty (+0.1%) and Barclays Bk PLC S&P500 VIX Mid (-7.7%) and two positions were liquidated: Ford Motor Co (-5.45%) and Kirkland Lake Gold Ltd (+20.6%).

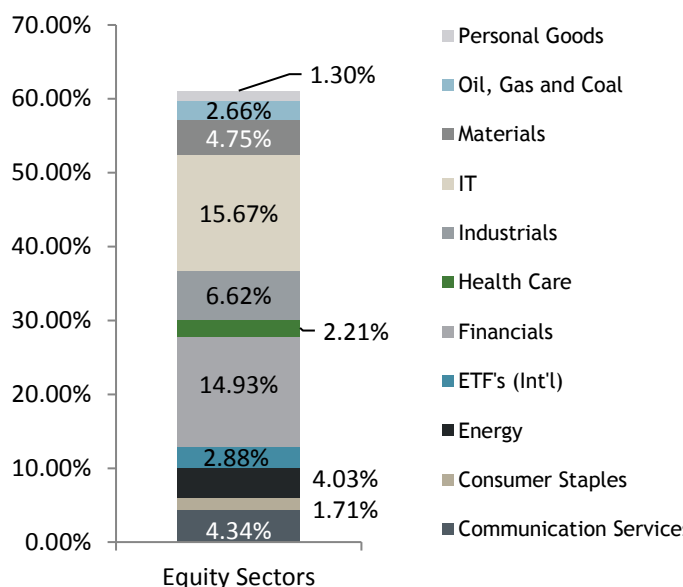
PERFORMANCE RETURNS

%	3 Mo	6 Mo	YTD	1Yr	3Yr	5Yr	SI
Composite	11.68	-6.80	-6.80	-3.68	2.02	5.18	7.21
Benchmark	11.66	-0.25	-0.25	3.89	5.29	5.23	6.86
Diff +/-	0.02	-6.56	-6.56	-7.57	-3.27	-0.05	0.35

ASSET MIX



ASSET MIX



TOP TEN HOLDINGS

	%
HORIZONS ACTIVE ULTRA SHORT TERM BOND ETF	8.17%
MICROSOFT CORP.	6.14%
ISHARES CDN REAL RTN BND	5.26%
CASH - USD	4.46%
TORONTO-DOMINION BANK	4.13%
CDN WESTERN 2.788% 13SP21	4.07%
ROYAL BANK OF CANADA	3.63%
ALBERTA 1.6% 1SP22	3.62%
FORD CR CDA 3.349% 19SP22	3.32%
ALPHABET INC.	2.92%
TOTAL TOP TEN	45.71%

*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.

TD Bank	2a,2b,2c,2d,2e,2g,3a,3c,7
Royal Bank of Canada	2a,2c,2e,2g,3a,3c,7

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2c CIBC World Markets Inc. has managed or co-managed a public offering of securities for this company in the past 12 months.

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