CIBC PRIVATE WEALTH

INVESTMENT STRATEGY GROUP

MONTHLY WORLD MARKETS REPORT

September 2024

Inside This Issue

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The Good, the Bad, and the Fed

Investors are constantly digesting economic news and considering what it means for markets. In theory, good news for the economy should be good news for stocks. A growing economy means growing corporate profits, while corporate profits and stock prices tend to struggle at the onset of a recession. However, investors are also keenly focused on interest rates—the level of rates and the likely future trajectory. Lower interest rates are supportive for equity valuations and widely seen as a tailwind for equity markets. Just looking at the inverse and the 2022 sell-off in equity markets (which coincided with steep interest rate hikes) provides support for this view. But if interest rate cuts are being driven by a deteriorating economy and increasing risks of a recession, maybe the outlook isn't as positive for equity markets. It’s a fine line between disinflation/soft landing rate cuts (good environment for equities) and rate cuts that are catching up to a weakening economy (bad for equities). Can the U.S. Federal Reserve (Fed) thread the needle and ensure inflation is under control while also avoiding a recession?

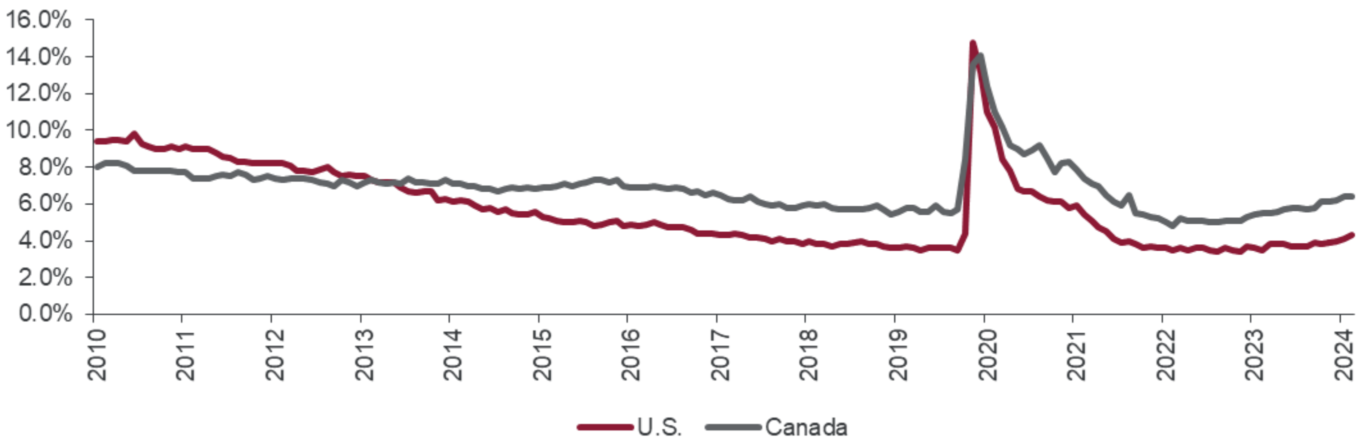
The Fed's modern statutory dual mandate (as described in the 1977 amendment to the Federal Reserve Act) is to promote maximum employment and stable prices. A lack of price stability, in the form of high-single digit inflation, was the key driver behind the interest rate hiking cycle that started in 2022. Inflation has since moderated back toward target levels. Indeed, the July Consumer Price Index (CPI) report showed price pressures continue to cool and headline inflation was 2.9% Year-over-Year (Y/Y) —the lowest level in 3 years. With increasing confidence that victory has been achieved on its price stability mandate, the focus for the Fed now appears more tilted towards striving for maximum employment and avoiding a hard landing for the economy. It now appears likely that the Fed will follow other major central banks and kick off its rate cutting journey in the coming months.

Recession Risks

It has generally been good news for the U.S. economy since the pandemic shock. The U.S. economy has been remarkably robust in recent years, growing at a 2.5% rate in 2023, with a similar growth rate expected this year. Overall, macro data suggests that the prospects of a near-term recession in the U.S. are low but increasing. More timely leading indicators have flashed some warning signals**.** A weaker July jobs report showed a deterioration in the labour market. U.S. payrolls rose by a modest 114,000, replete with downward revisions to earlier months, and the jobless rate rose two ticks to 4.3%, up 0.8% from a year ago. However, context is important: a jobless rate of 5% or less is widely seen by economists as evidence of an economy that is operating at full capacity.

The picture is worse in Canada and the Canadian economy has already shown signs of significant deterioration. The highly levered Canadian consumer is feeling the strain from high interest rates and the unemployment rate has jumped 1.6 percentage points from a low of 4.8% in 2022 to 6.4% today. This largely explains why the Bank of Canada (BoC) was quicker to act and started cutting rates in June.

Unemployment rates in the U.S. and Canada



Source: Bloomberg; July 31, 2024

Equity markets are forward looking and market sell-offs and declining earnings can often foreshadow a recession. A recent August swoon for markets has many questioning whether the economy is worse than feared and if the Fed is "behind the curve" and needs to catch up with rate cuts. In each major downturn dating back to 1990, S&P 500 earnings growth turned negative on a Y/Y basis in advance of the official recession mark. The initial investor panic appears overblown as the S&P 500 never breached 10% correction territory in the most recent sell-off—it also displayed a pretty quick rebound. Meanwhile, corporate earnings are on pace to grow a solid 11% Y/Y in Q2, the first return to double-digit growth since 2021.

The U.S. Consumer

With consumption accounting for approximately two thirds of U.S. gross domestic product (GDP), the consumer matters a lot for the U.S. economy—and recent corporate earnings reports indicate increasing consumer caution. Digging into corporate earnings can help garner clues regarding the health of the consumer and the trajectory of the economy. As they reported second-quarter results, a host of companies warned of softening sales and lowered their earnings forecasts. Many companies cited the challenging backdrop for consumers who are still adjusting to the rapid price increases experienced in recent years. Not surprisingly, lower-income consumers who are feeling a disproportionate burden from higher living costs, have been more impacted relative to higher-income consumers. Consumers across the board appear to be seeking out value and trading down to lower-priced alternatives where possible. There has also been a notable focus on essentials or staples, with discretionary spending cut first to balance personal budgets.

The U.S. housing market remains robust and house prices are stable. Homeowners are deferring decisions about moving and activity levels have diminished as people await lower mortgage rates. Borrowers with locked-in mortgage rates at attractive levels are hesitant to move, so supply is tighter than it otherwise would be. Rate cuts will provide a big boost and help normalize the housing market with positive knock-on effects for the broader economy.

The Bottom Line

Good or bad economic news can be interpreted in different ways depending on what it means for the Fed's next move. The U.S. economy remains remarkably robust in the face of higher short-term interest rates, while disinflation looks sufficiently entrenched. Restrictive monetary policy is no longer needed. The focus for the Fed has shifted to the economy and the urgency with which rate cuts are needed to stimulate demand and stay ahead of a potential slowdown. Unemployment is on the rise in the U.S. and certain consumer cohorts and parts of the economy are starting to feel the strain of higher rates. Further bad news for the economy is a risk for the stock market, where valuations have run up and investors have baked in rate cuts and are assuming the economy can skirt a recession. On the other hand (the good news) is a sign that the consumer can manage through this challenging period. Paired with Fed easing, this is a favourable combination and provides a constructive setup for equity markets.

ANDREW O'BRIEN, CFA

Do Bonds Still Make Sense?

Interest Rate Overview

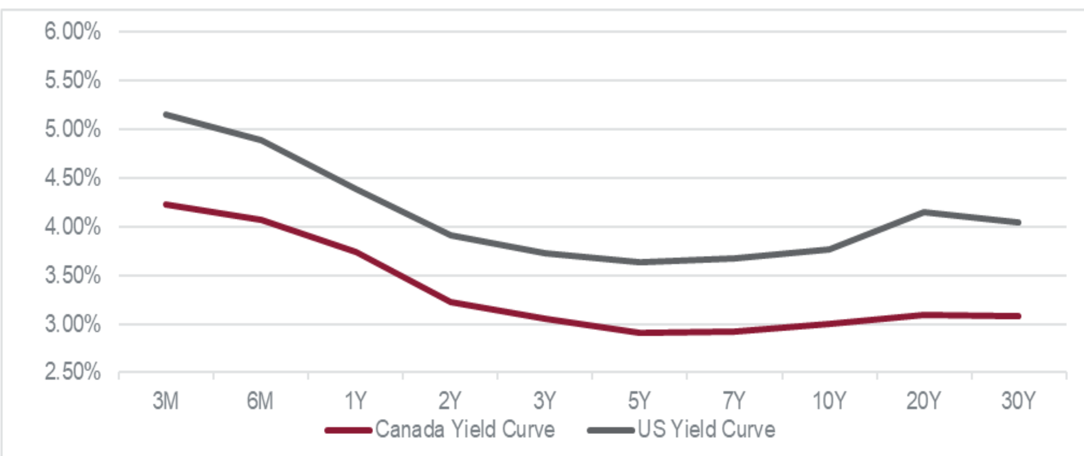
The bond market had a historic challenge as yields reached their highest levels since 2010 in the summer of 2022. In 2023, interest rates began to stabilize, creating more stability. In June 2024, the Bank of Canada (BoC) lowered its key interest rate to 4.75% from 5.00%, marking it's first rate cut since March 2020. In July, the BoC cut its key interest rate to 4.50%, its second cut in a long-awaited monetary policy easing cycle. BMO and CIBC are both calling for another 75 basis points (bps) of rate cuts in 2024, or a quarter-point cut at every remaining meeting this year. The next interest rate announcement is September 4, 2024.

Interest rate hikes by the BoC and U.S. Federal Reserve (Fed) have pushed bond yields near levels not seen in more than a decade. The BoC has entered a monetary policy easing cycle and the Fed is expected to start its easing cycle at its September 17-18 market meeting. BoC governor Tiff Macklem stressed that the BoC is going to take things "one meeting at a time". Interest rate easing has started and will likely continue into 2025.

Is it Time to Evaluate Your Fixed Income Portfolio?

Central banks are entering an easing cycle and the opportunity to buy bonds at current market levels is more attractive than it has been in more than a decade. The opportunity to invest in low-risk, higher-yielding bonds may not be there if investors wait too long. It's an ideal time to refocus on one's fixed income investments. To start a review, consider the following criteria: duration, diversification by sector, quality, ratings, and investment objectives. Investors can choose from corporate, provincial, sovereign bonds, mutual funds and exchange-traded funds (ETFs) as well as other bond-like fixed income products such as guaranteed investment certificates (GICs).

Canadian and U.S. Inverted Yield Curves



Source: Bloomberg. Data as of August 21, 2024.

The two most common reasons for buying bonds are to receive an income stream and to provide stability to a portfolio. Many investors have been reluctant to hold bonds for years due to the low interest rate environment, but that is no longer the case. Any decision to increase the bond allocation and lower overall portfolio risk without sacrificing much in the way of returns is up to each individual investor. Investors can take advantage of yields offered now and set up their bond portfolio to benefit from bonds rising in value as rates fall.

Diversification

The current financial climate shows how important it is to do one's homework and how important it is to have diversification. Given that bonds are much less volatile than stocks, fixed income should be an essential part in a properly diversified balanced portfolio. Short-term to mid-term bonds or bond mutual funds may lose 5%-6% in a bad year. In contrast, a 5%-6% drop could be just a bad day for equities. Allocating a portion of one's portfolio to bonds should help cushion against a sharp drop in equity markets as the flight to safety will send bonds higher and reduce the overall risk of loss of capital in the portfolio.

No doubt some investment portfolios can weather market volatility better than others. During times of volatility, diversification is one of the best investment hedges available to limit losses while casting a wide net for the best investment opportunities. If you're a long-term investor with a properly diversified portfolio, you can wait it out. Selling low in a panic is a bad idea.

The Bottom Line

Investors should consult with their financial advisor if they have any concerns about their investment portfolio and making any investment decisions. As the bond markets face volatility due to a combination of financial and geopolitical factors, investors are looking at strategies that give liquidity to portfolio holdings that can be traded during uncertain times. Some investors are taking a wait-and-see strategy, staying with short-duration bonds while others feel that current yield levels are very attractive and are looking at a longer duration. There isn't a one-size-fits-all answer to allocating between stocks, bonds, and other asset classes. The allocation should reflect one's risk tolerance, time horizon, investment objectives and income needs. Timing the market is not a precise science, but it's been about 15 years since we've seen yields at this level.

ALLAN BISHOP

Market Return Data

All data is sourced from Bloomberg unless otherwise noted. Data as of August 30, 2024.

North American indices – Price performance (% Change)

North America indices	Price	1 Month	3 Months	6 Months	YTD
S&P/TSX Composite	23,346	1.0%	4.8%	9.3%	11.4%
S&P/TSX Composite – Total Return	95,511	1.2%	5.6%	11.0%	13.7%
S&P 500 Index	5,648	2.3%	7.0%	10.8%	18.4%
S&P 500 Index – Total Return	12,344	2.4%	7.4%	11.6%	19.5%
Dow Jones Industrial Average	41,563	1.8%	7.4%	6.6%	10.3%
Dow Jones Industrial Average – Total Return	103,510	2.0%	7.9%	7.6%	11.7%
Nasdaq Composite Index	17,714	0.6%	5.8%	10.1%	18.0%

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	15.0%	9.9%	4.3%	7.3%	4.1%	5.2%	5.3%
S&P/TSX Composite – Total Return	18.8%	13.5%	7.6%	10.6%	7.3%	8.4%	8.3%
S&P 500 Index	25.3%	19.5%	7.7%	14.1%	10.9%	12.1%	8.5%
S&P 500 Index – Total Return	27.1%	21.4%	9.4%	15.9%	13.0%	14.3%	10.7%
Dow Jones Industrial Average	19.7%	14.8%	5.5%	9.5%	9.3%	10.3%	7.3%
Dow Jones Industrial Average – Total Return	22.1%	17.2%	7.7%	11.8%	11.8%	13.0%	9.9%
Nasdaq Composite Index	26.2%	22.4%	5.1%	17.3%	14.5%	15.6%	12.0%

International indices – Price performance (% Change)

International indices	Price	1 Month	3 Months	6 Months	YTD
Bloomberg Euro 500	1,310	1.3%	1.4%	6.4%	9.8%
FTSE Eurotop 100	4,143	1.5%	1.6%	5.8%	10.5%
FTSE 100 (England)	8,377	0.1%	1.2%	9.8%	8.3%
Dax (Germany)	18,907	2.2%	2.2%	7.0%	12.9%
CAC 40 (France)	7,631	1.3%	-4.5%	-3.7%	1.2%
MSCI World	3,661	2.5%	6.3%	9.7%	15.5%
MSCI Emerging Markets	1,100	1.4%	4.9%	7.7%	7.4%
MSCI Emerging Markets – Total Return	2,901	1.6%	6.1%	9.9%	9.9%
MSCI EAFE	2,453	3.0%	4.2%	7.3%	9.7%
MSCI EAFE – Total Return	12,020	3.3%	4.6%	9.7%	12.4%
Nikkei 225 (Japan)	38,648	-1.2%	0.4%	-1.3%	15.5%
Hang Seng (Hong Kong)	17,989	3.7%	-0.5%	8.9%	5.5%
ASX 200 (Australia)	8,092	0.0%	5.1%	5.1%	6.6%
Taiwan Weighted	22,268	0.3%	5.2%	17.4%	24.2%
Sensex 30 (India)	82,366	0.8%	11.4%	13.6%	14.0%

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	14.7%	12.5%	4.1%	6.7%	4.3%	5.4%	4.1%
FTSE Eurotop 100	15.1%	13.8%	7.0%	7.3%	4.1%	4.7%	3.4%
FTSE 100 (England)	12.6%	7.2%	5.6%	3.1%	2.1%	3.6%	3.2%
Dax (Germany)	18.6%	21.4%	6.1%	9.6%	7.2%	8.6%	8.4%
CAC 40 (France)	4.3%	11.6%	4.5%	6.8%	5.7%	5.0%	3.8%
MSCI World	22.6%	18.0%	5.2%	11.4%	7.7%	8.4%	6.5%
MSCI Emerging Markets	12.2%	5.2%	-5.6%	2.2%	0.1%	1.8%	4.7%
MSCI Emerging Markets – Total Return	15.5%	8.4%	-2.7%	5.2%	2.9%	4.7%	7.6%
MSCI EAFE	16.3%	15.5%	1.4%	5.9%	2.5%	3.3%	3.3%
MSCI EAFE – Total Return	20.0%	19.3%	4.7%	9.1%	5.7%	6.7%	6.6%
Nikkei 225 (Japan)	18.5%	17.3%	11.2%	13.3%	9.6%	9.1%	6.4%
Hang Seng (Hong Kong)	-2.1%	-5.1%	-11.4%	-6.9%	-3.1%	-0.6%	1.7%
ASX 200 (Australia)	10.8%	7.6%	2.4%	4.1%	3.7%	4.0%	4.2%
Taiwan Weighted	33.9%	21.5%	8.4%	16.0%	9.0%	8.2%	7.0%
Sensex 30 (India)	27.0%	17.6%	12.7%	17.1%	12.0%	11.7%	14.8%

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	23,346	1.0%	4.8%	9.3%	11.4%
S&P/TSX Composite - Total Return	95,511	1.2%	5.6%	11.0%	13.7%
S&P 500 Index	7,626	0.0%	5.9%	10.2%	21.1%
S&P 500 Index - Total Return	16,667	0.2%	6.3%	11.0%	22.2%
Dow Jones Industrial Average	56,118	-0.5%	6.3%	6.0%	12.7%
Dow Jones Industrial Average - Total Return	139,760	-0.2%	6.8%	7.0%	14.2%
Russell 2000	2,994	-3.8%	6.0%	7.3%	11.8%
Nasdaq Composite Index	23,917	-1.6%	4.8%	9.5%	20.6%
Bloomberg Euro 500	1,954	1.3%	2.2%	8.2%	12.1%
EURO STOXX 50	7,397	1.7%	0.3%	3.4%	12.0%
EURO STOXX 50 -Total Return	17,555	1.8%	0.5%	5.4%	14.4%
MSCI World	4,943	0.2%	5.2%	9.1%	18.1%
MSCI Emerging Markets	1,485	-0.9%	3.8%	7.1%	9.8%
MSCI Emerging Markets -Total Return	3,917	-0.6%	5.0%	9.3%	12.3%
MSCI EAFE	3,313	0.7%	3.1%	6.7%	12.2%
MSCI EAFE - Total Return	16,230	1.0%	3.5%	9.1%	14.9%
MSCI Far East	5,538	-1.3%	4.0%	3.5%	12.8%

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	15.0%	9.9%	4.3%	7.3%	4.1%	5.2%	5.3%
S&P/TSX Composite - Total Return	18.8%	13.5%	7.6%	10.6%	7.3%	8.4%	8.3%
S&P 500 Index	24.9%	21.3%	10.1%	14.4%	13.4%	13.6%	8.6%
S&P 500 Index - Total Return	26.7%	23.3%	11.9%	16.3%	15.5%	15.9%	10.8%
Dow Jones Industrial Average	19.3%	16.6%	7.9%	9.8%	11.7%	11.9%	7.4%
Dow Jones Industrial Average - Total Return	21.7%	19.0%	10.1%	12.1%	14.2%	14.6%	10.1%
Russell 2000	16.4%	11.4%	1.4%	8.5%	8.9%	11.0%	7.4%
Nasdaq Composite Index	25.8%	24.3%	7.5%	17.7%	17.0%	17.2%	12.1%
Bloomberg Euro 500	16.5%	19.8%	4.1%	7.1%	4.8%	5.1%	3.7%
EURO STOXX 50	17.2%	26.4%	5.7%	8.1%	5.0%	3.6%	2.8%
EURO STOXX 50 -Total Return	20.2%	29.6%	8.5%	10.6%	7.7%	6.4%	5.7%
MSCI World	22.2%	19.9%	7.6%	11.7%	10.0%	9.9%	6.7%
MSCI Emerging Markets	11.8%	6.8%	-3.5%	2.6%	2.3%	3.2%	4.8%
MSCI Emerging Markets -Total Return	15.1%	10.1%	-0.5%	5.5%	5.2%	6.1%	7.8%
MSCI EAFE	15.9%	17.2%	3.6%	6.2%	4.7%	4.8%	3.4%
MSCI EAFE - Total Return	19.6%	21.1%	7.0%	9.5%	8.0%	8.2%	6.7%
MSCI Far East	14.6%	13.9%	2.2%	4.7%	5.6%	5.0%	3.1%

Commodities – (% Change)

Commodities	Price	1 Month	3 Months	6 Months	1 Year	YTD
Gold Spot (US$/oz)	2,503.39	2.3%	7.6%	22.5%	29.0%	21.3%
Silver (US$/oz)	28.86	-0.5%	-5.1%	27.3%	18.1%	21.3%
Brent Crude Oil	78.80	-2.4%	-3.5%	-5.8%	-9.3%	2.3%
West Texas Intermediate Oil	73.55	-5.6%	-4.5%	-6.0%	-12.1%	2.7%
NYMEX Natural Gas	2.13	4.5%	-17.8%	14.4%	-23.2%	-15.4%
Spot Nat. Gas (AECO Hub - USD)	0.44	-30.2%	-42.9%	-67.2%	-77.9%	-66.2%
Copper 3-month	4.19	0.1%	-8.0%	8.7%	9.6%	7.9%
Nickel 3-month	7.60	1.0%	-14.9%	-6.3%	-17.4%	1.0%
Aluminum 3-month	1.11	6.8%	-7.7%	9.8%	10.8%	2.6%
Zinc 3-month	1.31	8.3%	-2.4%	19.4%	19.2%	9.0%

Currencies – (% Change)

Currencies	Price	1 Month	3 Months	6 Months	1 Year	YTD
CAD/USD	0.7412	2.3%	1.0%	0.6%	0.1%	-1.8%
EURO/CAD	1.4905	-0.3%	0.8%	1.6%	1.8%	1.9%
EURO/USD	1.1048	2.1%	1.8%	2.2%	1.9%	0.1%
USD/YEN	146.1700	-2.5%	-7.1%	-2.5%	0.4%	3.6%
U.S. Dollar Index	101.6980	-2.3%	-2.8%	-2.4%	-1.9%	0.4%

Bond returns – Total return (% Change)

Bond Index	1 Month	3 Months	6 Months	1 Year	YTD
FTSE Canada Bond Universe Index	0.3%	3.9%	4.1%	7.9%	2.3%
FTSE Canada Long Term Bond Index	-0.1%	4.6%	3.5%	7.3%	-0.5%
FTSE Canada Mid Term Bond Index	0.5%	4.6%	4.9%	8.7%	3.1%
FTSE Canada Short Term Bond Index	0.5%	2.8%	3.8%	7.5%	3.7%

Government Yields

Government Notes	Yield	1 Month	3 Months	6 Months	1 Year
Canada 3-month T-Bills	4.17%	4.39%	4.77%	4.91%	5.07%
Canada 5yr Notes	3.04%	3.09%	3.68%	3.57%	3.89%
Canada 10yr Notes	3.16%	3.16%	3.63%	3.49%	3.56%
Canada 30yr Bonds	3.27%	3.21%	3.48%	3.36%	3.39%
U.S. 3-month T-Bills	5.11%	5.28%	5.40%	5.38%	5.44%
U.S. 5yr Notes	3.70%	3.91%	4.51%	4.24%	4.25%
U.S. 10yr Notes	3.90%	4.03%	4.50%	4.25%	4.11%
U.S. 30yr Bonds	4.20%	4.30%	4.65%	4.38%	4.21%

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	0.7%	4.1%	3.9%	11.0%	7.2%	3.5%
Consumer Staples	-3.5%	4.9%	5.0%	19.1%	12.5%	4.2%
Energy	-0.3%	-1.5%	9.5%	12.3%	14.9%	17.5%
Energy - Integrated Oil & Gas	-3.2%	-3.9%	14.1%	12.1%	24.7%	3.6%
Energy - Oil & Gas Exploration & Production	-1.4%	-6.9%	3.4%	5.2%	12.1%	5.9%
Energy - Pipeline	4.7%	11.2%	15.9%	20.0%	16.7%	6.7%
Financials	2.6%	7.4%	10.7%	22.0%	11.9%	31.5%
Financials - Banks	3.4%	6.5%	9.8%	16.1%	7.4%	19.8%
Financials - Insurance	4.2%	6.6%	9.6%	26.3%	15.2%	4.6%
Real Estate	4.7%	16.0%	10.2%	10.8%	8.9%	2.2%
Health Care	-2.6%	2.8%	-7.0%	-8.6%	-3.4%	0.3%
Industrials	-1.3%	2.1%	0.2%	11.3%	8.1%	13.3%
Information Technology	6.2%	16.2%	2.4%	20.0%	7.6%	8.4%
Materials	-0.6%	3.3%	33.4%	16.2%	22.2%	12.3%
Materials - Gold	1.7%	11.7%	46.8%	29.2%	28.6%	7.4%
Materials - Base Metals	-3.4%	-8.2%	25.8%	22.5%	23.0%	1.4%
Materials - Fertilizers	-7.8%	-18.3%	-7.9%	-23.7%	-12.6%	1.0%
Communication Services	0.8%	0.4%	-6.7%	-10.4%	-8.5%	3.1%
Utilities	1.1%	5.9%	10.2%	4.5%	5.3%	3.8%

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	0.5%	4.1%	5.6%	11.2%	6.1%
Income	0.6%	4.3%	6.6%	13.5%	8.6%
Income & Growth	0.6%	4.7%	7.9%	16.4%	11.6%
Growth	0.5%	4.9%	8.7%	18.3%	13.6%
Growth Plus	0.5%	5.1%	9.6%	20.3%	15.8%

CIBC World Markets Interest Rate Outlook

Interest rates (%) – End of Qtr	30-Aug-24	Sep-24	Dec-24
Canada 3-month T-Bill	4.17%	4.15%	3.60%
U.S. 3-month T-Bill	5.11%	5.00%	4.50%
Canada 10-year Gov't Bond Yield	3.16%	3.20%	3.25%
U.S. 10-year Gov't Bond Yield	3.90%	4.10%	3.95%
US$ / C$	0.74	0.72	0.72

[1] Refer to the Strategic Asset Allocation in Appendix 1

Source: CIBC World Markets Inc.

CIBC World Markets Economic Outlook

Economic outlook	2024F	2025F
Canada Real GDP Growth (% Chg)	1.00%	1.70%
U.S. Real GDP Growth (% Chg)	2.60%	1.90%
Canada Consumer Price Index (% Chg)	2.50%	1.70%
U.S. Consumer Price Index (% Chg)	3.00%	2.50%
Canada Unemployment Rate (%)	6.30%	6.00%
U.S. Unemployment Rate (%)	4.20%	4.20%

Source: CIBC World Markets Inc.

Appendix 1: Strategic Asset Allocation

Capital Preservation: 8% Canadian short-term fixed income, 55% Canadian fixed income, 7% Global fixed income (hedged to CAD), 5% US high yield, 8% Canadian equity, 8% US equity, 7% International equity, 2% Emerging market equity

Income: 6% Canadian short-term fixed income, 34% Canadian fixed income, 10% Global fixed income (hedged to CAD), 10% US high yield, 10.5% Canadian equity, 15% US equity, 12% International equity, 2.5% Emerging market equity

Income & Growth: 4% Canadian short-term fixed income, 20% Canadian fixed income, 7% Global fixed income (hedged to CAD), 9% US high yield, 16.5% Canadian equity, 25% US equity, 15% International equity, 3.5% Emerging market equity

Growth: 2% Canadian short-term fixed income, 13% Canadian fixed income, 5% Global fixed income (hedged to CAD), 5% US high yield, 21% Canadian equity, 30% US equity, 19% International equity, 5% Emerging market equity

Growth Plus: 0% Canadian short-term fixed income, 3% Canadian fixed income, 3% Global fixed income (hedged to CAD), 4% US high yield, 23% Canadian equity, 36% US equity, 24% International equity, 7% Emerging market equity

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