INVESTMENT STRATEGY GROUP

MONTHLY WORLD MARKETS REPORT

July 2021

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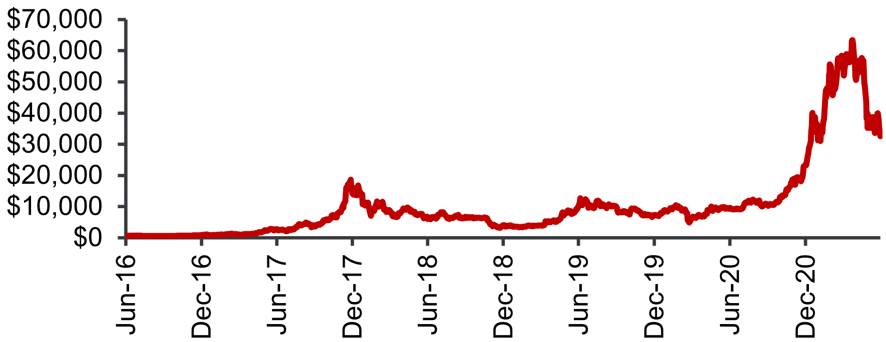
Unless otherwise noted, all prices quoted in this report are as of the close of markets on June 23, 2021.

Cryptocurrencies: Are they really money?

After the meteoric rise and fall in the value of cryptocurrencies, ending in 2019, many investors believed that cryptocurrencies were just another fad, never to be heard of again. However, the last twelve months have seen a return of investor interest in cryptocurrencies. Whether it is Bitcoin, Ethereum, Litecoin, or another cryptocurrency, their soaring values and support from certain corporations, hedge fund managers, and politicians have prompted many investors who initially avoided cryptocurrencies to consider investing in them.

Before doing this, investors need to ask what cryptocurrencies are and if they really are an alternative form of money. To answer this one needs to ask: what is money? In response to this question, an economist might say that money is a safe, stable means of storing value, allowing the owner to access that value now or in the future. A merchant might say that money is something that is widely accepted and can easily be exchanged in an orderly fashion for goods and services. A central banker might say that money is a guarantee of the full faith and credit of the country that mints or prints the banknotes and coins that are in circulation in that country. Most likely, money is all of these.

BITCOIN: PRICE PERFORMANCE IN US$



Source: Bloomberg

Perhaps applying the above mentioned criteria might be useful. Are cryptocurrencies safe? There have been many incidents over the last several years where digital wallets containing cryptocurrencies were hacked and the investors lost all of their investment. Are they a stable means of storing value? Although many cryptocurrencies have soared, they can fluctuate massively in value, like the currency of a third-world country, making them unstable, so presently they don’t appear to do a decent, stable job of storing value. Are cryptocurrencies widely accepted? Presently, very few companies will accept them as payment for goods and services. Can they be easily exchanged in an orderly fashion for goods and services? Anyone trying to buy items such as groceries, clothes, a meal at a restaurant, book a vacation or pay for car repairs using cryptocurrencies, will see it is next to impossible. Are they a guarantee of the full faith and credit of a country? Countries don’t issue cryptocurrencies. Take Bitcoin for example; no one really knows who created it or who or what is really behind it. Presumably, an individual named Satoshi Nakamoto invented it but does he really exist? If cryptocurrencies represent a guarantee, what is it a guarantee of – the full faith and credit of a computer algorithm supposedly written by a person we’ve never met, someone we don’t even know exists?

The paragraph above may sound skeptical but investors must be careful when evaluating investments. The dot.com crash of 2001 – 2002 shows that just because something is increasing in value and everyone else is investing, doesn’t mean it belongs in one’s portfolio. It would appear that cryptocurrencies do not meet the standards to be money, although they have the characteristics of money. So what are they? Most likely they are crypto commodities, which might eventually become accepted as money. However, for this to happen, the above mentioned obstacles would have to be addressed and this does not look like it will be easy.

Finally, national governments jealously guard control over their countries’ economies and supply of money, so they are not going to stand by and let cryptocurrencies threaten their control over their nations’ money supply. With most countries burdened by huge national debts, it is unlikely that they will tolerate not being able to tax the cryptocurrency-driven portion of their economies. Most likely they will develop ways to tax all transactions conducted in cryptocurrencies. Should this happen, it might be a huge step in legitimizing cryptocurrencies as money. For now, investors should exercise caution if considering investing in cryptocurrencies.

MICHAEL O’CALLAGHAN, MBA, CFA

Green, Social and Sustainability Bonds

Market Update

Green, social and sustainability bonds have gained significant traction in recent years as a way for companies to exhibit corporate social responsibility in the community by meeting a wide range of environmental, social and governance (ESG) targets.

Looking at this rapidly growing segment of the fixed-income market reveals that in 2020, over US$400 billion worth of ESG-labeled bonds were issued worldwide, including US$270 billion worth of green bonds, US$164.2 billion of social bonds and US$61.4 billion of sustainability bonds. This suggests that there is huge potential for more sustainable investing in Canada.

What Are Green Bonds?

Green bonds are no different from the plain vanilla bonds that a company issues, given that they carry the same credit ratings as the issuer's other equivalent debt obligations. However, green bond proceeds are used to fund environmentally friendly projects. The proceeds from these instruments must be spent on designated ESG projects, and companies must track and report to debtholders how they have spent the money that has been raised.

Green & ESG Bond Growth as of December 2020

Bond Metric	Green Bond	Sustainability Bond	Social Bond
Total Size of Market	US$1.1 trillion	US$316.8 billion	US$315.6 billion
Number of Issuers	1428	178	601
Number of Instruments	7716	885	1230
Number of Countries	71	30	36
Number of Currencies	42	33	25

Source: Climate Bonds Initiative as of January 2021

Today, green bonds are offered by a variety of issuers such as governments, corporations as well as sub-sovereign entities. When an issuer sells a green bond, they're making a nonbinding commitment to use the proceeds from the sale of these bonds for environmentally friendly projects. Issuers typically use the funds to finance projects related to clean water, renewable energy, energy efficiency, transportation, river and habitat restoration, acquisition of land or the mitigation of the impact of climate change.

To better identify green bonds, they have been divided into two categories - Labelled Green Bonds and Unlabeled Climate-aligned Bonds. They are described as follows.

1. Labelled green bonds are those for which 100% of the proceeds from the sale of the bonds are earmarked for projects or assets that fit within the climate bonds classification.
2. Unlabeled climate-aligned bonds support projects that are aligned with climate mitigation or adaptation objectives but the bonds are not labelled as such by the issuer.

Growth in Green Bonds

In 2007, the green-bond market started off with a AAA investment-grade issuance from the European Investment Bank (EIB), followed by the World Bank in 2008. The wider bond market started to take notice after the first US$1 billion green-bond issuance by the International Finance Corporation (part of The World Bank) sold within an hour in March 2013. Ontario was the first government in Canada to issue a green bond back in 2014. The bond was oversubscribed, showing how well-received the concept of green bonds was. The global green bond market has continued to grow significantly since then. Canada's federal government is planning to raise C$5.0 billion for green infrastructure investment when its initial green bond hits the market later this year.

The majority of outstanding climate-aligned deals are investment grade. Most of the issues have ratings of AA, A and BBB. Less than 10% of issuance is rated BB+ or below.

ESG Fixed-Income Opportunities

Across the financial sector, investors are gradually integrating ESG bond investments into their portfolios as their focus on climate change and sustainability grows. While Canada remains a relatively small player, Canadian issuers have an increasing presence in the ESG bond market. As the market continues to expand, Canadian issuers will likely find more investors who will purchase sustainable financing solutions.

As the market expands beyond green bonds, there are several new ESG products with a different focus. Social bonds are used to address social projects such as homelessness, education, health and childcare. CIBC issued the first Canadian social bond to the market in 2018; it focused on companies with a demonstrated commitment to women in leadership roles. Global social bond issuance totaled US$164.2 billion in 2020, which was almost 10 times the 2019 total. The Canadian government announced that it is considering diversifying into social bonds in the future.

Sustainability bonds combine elements of green and social bonds. Sustainability-Linked Bonds (SLBs) are fairly new to the market but have gained in popularity over the past year. They provide more flexibility for issuers who are hesitant to issue green bonds due to increasing ESG disclosure requirements Sustainable bond sales in Canada rose to C$9.1 billion this year versus C$8.8 billion in the same period in 2020, compared to C$106 billion of Canadian corporate bond sales so far this year. Global sustainable bond issuance may top $650 billion in 2021, a 32% jump from 2020.

The Bottom Line

So why should investors buy green, social and sustainability bonds aside from wanting to support environmentally friendly projects that lower the carbon footprint and improve environmental conditions? The answer is simple; they provide income, diversity, growth and bring defensiveness to the portfolios of clients who are concerned about risks, especially risks related to climate change, and who want some positive ESG impact from their investments. Investors should remember that while it is true that money does not grow on trees, it can grow alongside them when invested sensibly.

ALLAN BISHOP

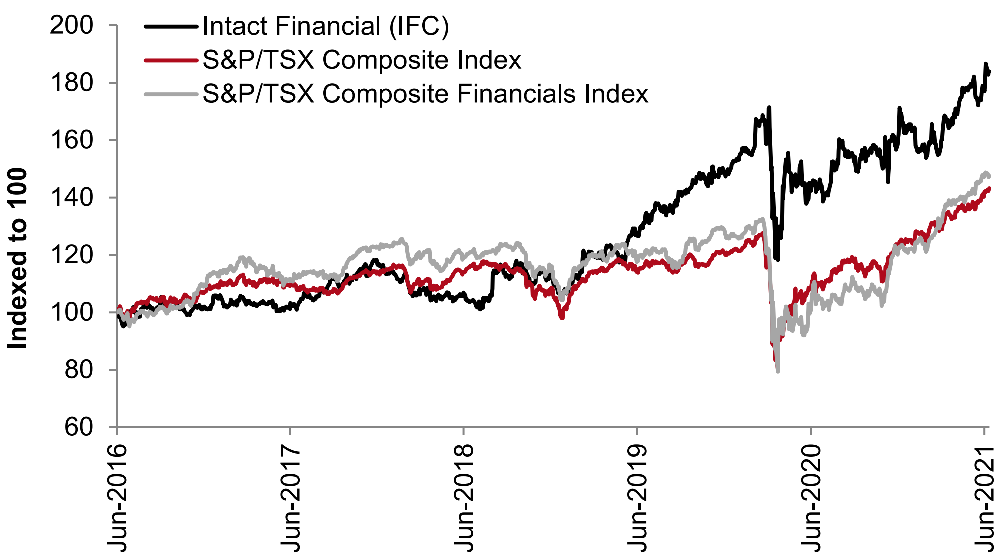
Canadian equities

Intact Financial Corp. (IFC, $170.60, Outperformer) Price Target: $188.00

Intact Financial provides property and casualty (P&C) insurance in Canada and specialty insurance in North America, with over $20 billion in annual premiums. Its underwriting business is well diversified across lines of business (personal auto, personal property, commercial and specialty) and segments (Canada, U.S., U.K. and Ireland). It is the leading player (with a 21% market share) in the fragmented Canadian P&C insurance business, which is a $64 billion market that has grown at a compounded annual growth rate of 5% over the past 40 years.

Intact's competitive advantages of pricing and risk selection (by leveraging data and AI expertise), claims and supply chain management, scale in distribution, capital and investment management expertise, industry-leading digital solutions, and a proven track record on acquisitions have led to a 640 basis points (bps) industry return of equity (ROE) outperformance since 2009.

Five-Year Price Return Performance



Source Bloomberg

It recently closed its acquisition of RSA Insurance Group, which will add $9 billion in annual gross premiums. Intact expects net operating income per share accretion from the transaction, driven by RSA's profitability and pre-tax annual run-rate synergies of $250 million that are expected to be achieved within three years. This acquisition marks Intact's entry into the U.K. and Ireland markets at scale in the personal property and commercial lines segments.

Given Intact's successful track record as an industry consolidator and integrator for domestic acquisitions, CIBC analyst Paul Holden expects it to achieve a 15% ROE for the domestic piece of RSA, which is already a relatively well-managed business. Shortly after the close of the transaction, Intact signed a deal to sell RSA's Danish business, Codan DK, which it had co-owned with Nordic insurer Tryg, for $2.52 billion, out of which it would receive 50%. As per Mr. Holden's estimates, this sale lowers the transaction multiple that Intact paid for RSA's U.K. & International business, leaving significant room for any integration issues and increasing the internal rate of return. He is forecasting solid earnings per share growth in the next two years, driven by organic premium growth and accretion from the RSA acquisition. The valuation is also compelling, with the shares trading at 2.1x Price-to-Book Value pro forma RSA, which is below the five-year average of 2.3x.

PUJA GHOSH, CFA, MBA, MSc

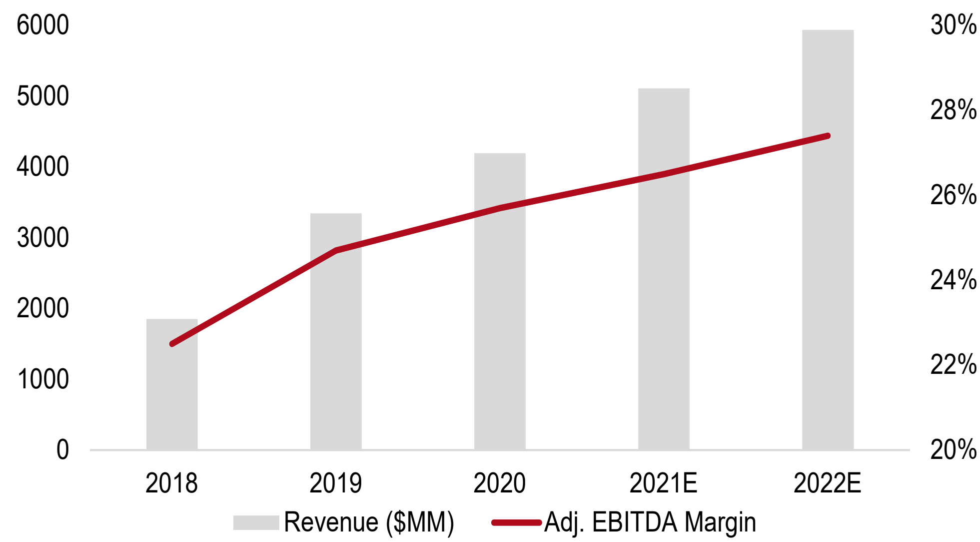
GFL Environmental Inc. (GFL, $39.05, Outperformer) Price Target $47.00

With inflation heating up, investors are placing increasing importance on preserving the purchasing power of their assets. History shows that industrial stocks, such as waste companies, tend to outperform in higher inflationary environments given their ability to pass on rising costs to customers. GFL Environmental is a leading North American diversified waste and environmental services company. It operates through three key segments: Solid Waste, Infrastructure & Soil Remediation, and Liquid Waste. GFL is committed to producing value for its shareholders by delivering revenue and margin growth, reducing the cost of debt, and engaging in strategic M&A activity.

GFL recently reported Q1/21 results which topped expectations. It posted fatter EBITDA margins and solid year-over-year organic revenue growth, despite facing challenges related to reopening delays in Canada. With lockdowns in Canada easing, GFL is well positioned for a boost in revenue, and the company believes it will be able to comfortably raise its full-year guidance when it reports Q2 earnings in August. GFL is also working to improve free cash flow by refinancing its debt at lower interest rates. It announced the issuance of US$750 million in notes, the proceeds of which will be used to retire higher-cost debt, resulting in US$13.5 million in annual interest expense savings.

GFL has delivered significant growth through successful M&A activity. In fiscal 2020, the company completed 22 acquisitions and it is currently executing its integration plan to extract cost savings and boost revenue. GFL has mostly targeted smaller and lower-risk tuck-in opportunities, but in March, it agreed to acquire the solid waste and environmental solutions businesses of Terrapure Environmental. This should provide accretive benefits, allowing GFL to expand its footprint in Canada. CIBC analyst Kevin Chiang holds a positive view of the Terrapure transaction, and feels that the acquired assets will be highly complementary to GFL's existing business. The deal is expected to close in late 2021, and should act as a catalyst for GFL's continued growth.

Five-Year Revenue And EBITDA



Source Company Reports, CIBC World Markets

LAUREN ELLISON, CFP, CIM, PFP

Company Data

A – Actual for the fiscal year; E – Estimate for the fiscal year; NM – Not Meaningful.

Company Name	Symbol	Stock Rating	Market Cap	Price 23-Jun-21	Price Target	Adjusted EPS 2019A	Adjusted EPS 2020E	Adjusted EPS 2021E	P/E 2021E	Dividend Yield
Intact Financial Corp.	IFC	OP	$26.0B	$170.60	$188.00	$9.92	$9.43	$9.87	18.1x	2.0%
GFL Environmental Inc.[1]	GFL	OP	$12.8B	$39.05	$47.00	$1077	$1357	$1628	20.5x	0.1%

[1] Adjusted EBITDA (in C$ millions) and EV/EBITDA are stated instead of EPS and P/E, respectively.

For a full description of the CIBC World Markets Inc. and the Research Rating System, please see disclosures and disclaimers at the end of the report.

Market return data

All data is sourced from Bloomberg unless otherwise noted. Data as of June 30, 2021.

North American indices – Price performance (% Change)

North America indices	Price	1 Month	3 Months	6 Months	YTD
S&P/TSX Composite	20,166	2.2%	7.8%	15.7%	15.7%
S&P/TSX Composite – Total Return	74,881	2.5%	8.5%	17.3%	17.3%
S&P 500 Index	4,298	2.2%	8.2%	14.4%	14.4%
S&P 500 Index – Total Return	8,943	2.3%	8.5%	15.3%	15.3%
Dow Jones Industrial Average	34,503	-0.1%	4.6%	12.7%	12.7%
Dow Jones Industrial Average – Total Return	80,535	0.0%	5.1%	13.8%	13.8%
Nasdaq Composite Index	14,504	5.5%	9.5%	12.5%	12.5%

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	30.0%	10.9%	7.4%	7.5%	4.2%	3.7%	4.9%
S&P/TSX Composite – Total Return	33.9%	14.4%	10.8%	10.8%	7.4%	6.8%	7.7%
S&P 500 Index	38.6%	20.9%	16.5%	15.4%	12.5%	8.5%	6.5%
S&P 500 Index – Total Return	40.8%	23.0%	18.7%	17.6%	14.8%	10.7%	8.6%
Dow Jones Industrial Average	33.7%	13.9%	12.4%	14.0%	10.8%	7.8%	6.1%
Dow Jones Industrial Average – Total Return	36.3%	16.5%	15.0%	16.7%	13.5%	10.6%	8.7%
Nasdaq Composite Index	44.2%	34.6%	24.5%	24.5%	18.0%	13.5%	10.0%

International indices – Price performance (% Change)

International indices	Price	1 Month	3 Months	6 Months	YTD
Bloomberg Euro 500	299	1.1%	5.0%	12.8%	12.8%
FTSE Eurotop 100	3,288	1.8%	5.7%	14.1%	14.1%
FTSE 100 (England)	7,037	0.2%	4.8%	8.9%	8.9%
Dax (Germany)	15,531	0.7%	3.5%	13.2%	13.2%
CAC 40 (France)	6,508	0.9%	7.3%	17.2%	17.2%
MSCI World	3,017	1.4%	7.3%	12.2%	12.2%
MSCI Emerging Markets	1,375	-0.1%	4.4%	6.5%	6.5%
MSCI Emerging Markets – Total Return	3,283	0.2%	5.1%	7.6%	7.6%
MSCI EAFE	2,305	-1.2%	4.4%	7.3%	7.3%
MSCI EAFE – Total Return	10,219	-1.1%	5.4%	9.2%	9.2%
Nikkei 225 (Japan)	28,792	-0.2%	-1.3%	4.9%	4.9%
Hang Seng (Hong Kong)	28,828	-1.1%	1.6%	5.9%	5.9%
ASX 200 (Australia)	7,313	2.1%	7.7%	11.0%	11.0%
Taiwan Weighted	17,755	4.0%	8.1%	20.5%	20.5%
Sensex 30 (India)	52,483	1.0%	6.0%	9.9%	9.9%

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	25.2%	7.8%	5.3%	6.2%	4.6%	1.7%	1.2%
FTSE Eurotop 100	21.9%	5.5%	4.8%	4.9%	3.6%	1.1%	0.2%
FTSE 100 (England)	14.1%	-2.6%	-2.7%	1.6%	1.7%	1.3%	1.1%
Dax (Germany)	26.2%	11.9%	8.1%	9.9%	7.7%	6.9%	4.8%
CAC 40 (France)	31.8%	8.4%	6.9%	9.0%	5.0%	1.8%	1.1%
MSCI World	37.0%	17.7%	13.0%	12.8%	8.5%	5.7%	5.2%
MSCI Emerging Markets	38.1%	14.2%	8.7%	10.5%	1.8%	4.1%	7.5%
MSCI Emerging Markets – Total Return	41.4%	17.1%	11.7%	13.4%	4.7%	7.0%	10.4%
MSCI EAFE	29.4%	9.5%	5.6%	7.5%	3.0%	1.6%	3.1%
MSCI EAFE – Total Return	32.9%	12.5%	8.8%	10.8%	6.4%	4.9%	6.2%
Nikkei 225 (Japan)	29.2%	16.3%	8.9%	13.1%	11.4%	4.2%	4.1%
Hang Seng (Hong Kong)	18.0%	0.5%	-0.1%	6.8%	2.6%	3.9%	4.0%
ASX 200 (Australia)	24.0%	5.1%	5.7%	6.9%	4.7%	2.5%	3.8%
Taiwan Weighted	52.8%	28.6%	17.9%	15.4%	7.5%	6.7%	6.7%
Sensex 30 (India)	50.3%	15.4%	14.0%	14.2%	10.8%	11.2%	14.6%

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	20,166	2.2%	7.8%	15.7%	15.7%
S&P/TSX Composite - Total Return	74,881	2.5%	8.5%	17.3%	17.3%
S&P 500 Index	5,332	4.9%	6.8%	11.2%	11.2%
S&P 500 Index - Total Return	11,096	5.1%	7.1%	12.0%	12.0%
Dow Jones Industrial Average	42,811	2.6%	3.2%	9.6%	9.6%
Dow Jones Industrial Average - Total Return	99,928	2.7%	3.7%	10.6%	10.6%
Russell 2000	2,867	4.5%	2.7%	13.7%	13.7%
Nasdaq Composite Index	17,997	8.3%	8.1%	9.4%	9.4%
Bloomberg Euro 500	440	0.7%	4.5%	6.2%	6.2%
EURO STOXX 50	5,975	0.2%	3.2%	7.8%	7.8%
EURO STOXX 50 -Total Return	13,130	0.3%	4.4%	9.3%	9.3%
MSCI World	3,744	4.3%	5.9%	9.0%	9.0%
MSCI Emerging Markets	1,706	2.7%	3.1%	3.5%	3.5%
MSCI Emerging Markets -Total Return	4,074	3.0%	3.7%	4.5%	4.5%
MSCI EAFE	2,860	1.5%	3.0%	4.3%	4.3%
MSCI EAFE - Total Return	12,680	1.7%	4.0%	6.1%	6.1%
MSCI Far East	5,051	2.1%	-1.6%	-1.4%	-1.4%

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	30.0%	10.9%	7.4%	7.5%	4.2%	3.7%	4.9%
S&P/TSX Composite - Total Return	33.9%	14.4%	10.8%	10.8%	7.4%	6.8%	7.7%
S&P 500 Index	26.3%	17.7%	14.3%	14.4%	15.4%	9.2%	5.4%
S&P 500 Index - Total Return	28.3%	19.8%	16.4%	16.6%	17.8%	11.5%	7.5%
Dow Jones Industrial Average	21.8%	10.9%	10.3%	13.0%	13.6%	8.6%	5.1%
Dow Jones Industrial Average - Total Return	24.2%	13.4%	12.8%	15.6%	16.4%	11.4%	7.7%
Russell 2000	46.1%	18.2%	9.9%	13.9%	13.6%	8.8%	6.7%
Nasdaq Composite Index	31.4%	31.0%	22.2%	23.4%	21.0%	14.3%	8.9%
Bloomberg Euro 500	20.3%	7.1%	3.8%	6.7%	5.1%	1.9%	1.8%
EURO STOXX 50	20.7%	7.5%	4.7%	7.7%	4.1%	0.9%	0.5%
EURO STOXX 50 -Total Return	23.1%	9.7%	7.0%	10.3%	7.0%	3.9%	3.2%
MSCI World	24.9%	14.6%	10.9%	11.8%	11.3%	6.4%	4.2%
MSCI Emerging Markets	25.9%	11.1%	6.7%	9.5%	4.4%	4.9%	6.4%
MSCI Emerging Markets -Total Return	28.8%	14.0%	9.5%	12.4%	7.3%	7.7%	9.3%
MSCI EAFE	18.0%	6.6%	3.6%	6.5%	5.7%	2.3%	2.0%
MSCI EAFE - Total Return	21.1%	9.6%	6.7%	9.8%	9.1%	5.6%	5.2%
MSCI Far East	12.1%	6.4%	2.7%	6.7%	7.4%	2.5%	1.8%

Commodities – (% Change)

Commodities	Price	1 Month	3 Months	6 Months	1 Year	YTD
Gold Spot (US$/oz)	1,770.11	-7.2%	3.7%	-6.8%	-0.6%	-6.8%
Silver (US$/oz)	26.13	-6.8%	7.0%	-1.0%	43.5%	-1.0%
Brent Crude Oil	75.13	8.4%	18.2%	45.0%	82.6%	45.0%
West Texas Intermediate Oil	73.47	10.8%	24.2%	51.4%	87.1%	51.4%
NYMEX Natural Gas	3.65	22.2%	40.0%	43.8%	108.5%	43.8%
Spot Nat. Gas (AECO Hub - USD)	3.45	34.2%	62.7%	76.9%	144.7%	76.9%
Lumber	716.00	-45.3%	-29.0%	-18.0%	64.3%	-18.0%
Copper 3-month	4.25	-8.6%	6.7%	20.7%	55.9%	20.7%
Nickel 3-month	8.26	0.6%	13.4%	9.6%	42.2%	9.6%
Aluminum 3-month	1.14	1.6%	14.1%	27.5%	55.8%	27.5%
Zinc 3-month	1.35	-2.8%	5.5%	8.1%	45.3%	8.1%

Currencies – (% Change)

Currencies	Price	1 Month	3 Months	6 Months	1 Year	YTD
CAD/USD	0.8066	-2.7%	1.3%	2.6%	9.5%	2.6%
EURO/CAD	1.4702	-0.3%	-0.2%	-5.5%	-3.6%	-5.5%
EURO/USD	1.1858	-3.0%	1.1%	-2.9%	5.6%	-2.9%
USD/YEN	111.1100	1.4%	0.4%	7.6%	2.9%	7.6%
Trade Weighted U.S. Dollar	92.4360	2.9%	-0.9%	2.8%	-5.1%	2.8%

Bond returns – Total return (% Change)

Bond Index	1 Month	3 Months	6 Months	1 Year	YTD
FTSE Canada Bond Universe Index	1.0%	1.7%	-3.5%	-2.4%	-3.5%
FTSE Canada Long Term Bond Index	2.8%	3.7%	-7.4%	-6.9%	-7.4%
FTSE Canada Mid Term Bond Index	0.5%	1.6%	-3.0%	-1.4%	-3.0%
FTSE Canada Short Term Bond Index	-0.2%	0.1%	-0.5%	0.7%	-0.5%

Government Yields

Government Notes	Yield	1 Month	3 Months	6 Months	1 Year
Canada 3-month T-Bills	0.15%	0.12%	0.09%	0.06%	0.20%
Canada 5yr Notes	0.98%	0.91%	1.00%	0.39%	0.37%
Canada 10yr Notes	1.39%	1.49%	1.56%	0.68%	0.53%
Canada 30yr Bonds	1.84%	2.03%	1.98%	1.21%	0.99%
U.S. 3-month T-Bills	0.04%	0.00%	0.02%	0.06%	0.13%
U.S. 5yr Notes	0.89%	0.80%	0.94%	0.36%	0.29%
U.S. 10yr Notes	1.47%	1.59%	1.74%	0.91%	0.66%
U.S. 30yr Bonds	2.09%	2.28%	2.41%	1.64%	1.41%

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	0.0%	4.1%	16.6%	51.4%	16.6%	3.9%
Consumer Staples	1.2%	5.5%	7.8%	10.1%	7.8%	3.6%
Energy	5.8%	12.6%	33.7%	36.9%	33.7%	13.0%
Energy - Integrated Oil & Gas	6.3%	16.8%	43.8%	44.2%	43.8%	2.3%
Energy - Oil & Gas Exploration & Production	8.3%	19.7%	56.4%	105.6%	56.4%	3.1%
Energy - Pipeline	5.3%	8.6%	24.0%	17.4%	24.0%	7.0%
Financials	0.5%	7.4%	21.1%	43.6%	21.1%	31.3%
Financials - Banks	0.2%	8.1%	22.6%	46.5%	22.6%	21.4%
Financials - Insurance	-2.0%	-0.4%	15.2%	38.2%	15.2%	4.3%
Real Estate	3.9%	9.9%	19.7%	33.5%	19.7%	3.2%
Health Care	0.8%	-11.7%	21.7%	35.2%	21.7%	1.4%
Industrials	0.0%	-0.1%	6.1%	28.2%	6.1%	11.4%
Information Technology	18.2%	23.0%	21.6%	35.5%	21.6%	11.2%
Materials	-6.4%	6.5%	-1.2%	3.1%	-1.2%	11.6%
Materials - Gold	-8.9%	5.8%	-9.2%	-18.9%	-9.2%	6.6%
Materials - Base Metals	-1.9%	17.1%	18.9%	103.2%	18.9%	0.9%
Materials - Fertilizers	1.0%	10.9%	22.6%	72.2%	22.6%	1.5%
Communication Services	2.7%	9.1%	15.4%	19.1%	15.4%	4.9%
Utilities	2.0%	0.5%	2.9%	18.2%	2.9%	4.6%

Strategic asset allocation[2] (in C$) - Performance (% Change - Before Fees)

Strategic Asset Allocation (in C$)	1 Month	3 Months	6 Months	1 Year	YTD
Capital Preservation	1.0%	2.7%	1.2%	5.6%	1.2%
Income	1.2%	3.5%	2.7%	9.3%	2.7%
Income & Growth	1.4%	4.5%	5.3%	15.2%	5.3%
Growth	1.6%	5.9%	8.4%	23.5%	8.4%
Aggressive Growth	1.7%	7.1%	11.8%	31.9%	11.8%

CIBC World Markets interest rate outlook

Interest rates (%) – End of Qtr	23-Jun-21	Sep-21	Dec-21
Canada 3-month T-Bill	0.14%	0.10%	0.15%
U.S. 3-month T-Bill	0.05%	0.05%	0.15%
Canada 10-year Gov't Bond Yield	1.42%	1.65%	1.45%
U.S. 10-year Gov't Bond Yield	1.49%	1.75%	1.50%
US$/C$	0.81	0.81	0.80

Source: CIBC World Markets Inc.

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

CIBC World Markets economic outlook

Economic outlook	2021F	2022F
Canada Real GDP Growth (% Chg)	5.70%	4.30%
U.S. Real GDP Growth (% Chg)	6.60%	4.40%
Canada Consumer Price Index (% Chg)	2.80%	2.20%
U.S. Consumer Price Index (% Chg)	3.80%	2.90%

Source: CIBC World Markets Inc.

Appendix 1: Strategic asset allocation

Capital Preservation: 5% Global Equity, 15% Canadian Equity, 60% Bonds, 20% Cash

Income: 10% Global Equity, 20% Canadian Equity, 60% Bonds, 10% Cash

Income & Growth: 20% Global Equity, 25% Canadian Equity, 50% Bonds, 5% Cash

Growth: 40% Global Equity, 25% Canadian Equity, 35% Bonds, 0% Cash

Aggressive Growth: 60% Global Equity, 25% Canadian Equity, 15% Bonds, 0% Cash

Price target calculations

Intact Financial Corp. (IFC): CIBC analyst Paul Holden's price target has been derived by applying a 16x P/E multiple to his 2023 EPS estimate. The price target assumes 13% EPS upside from the RSA transaction and a blended P/E multiple that is 8% lower to account for transaction risk associated with the U.K. and International RSA segments.

GFL Environmental Inc. (GFL): CIBC analyst Kevin Chiang's price target is derived by applying a 15.5x EV/EBITDA multiple to his fiscal 2022 EBITDA estimate, and assuming net debt of roughly $6.9 billion.

Disclosures and disclaimers

Important disclosure footnotes for companies mentioned in this report that are covered by CIBC World Markets Corp./Inc.:

Stock prices as of 06/23/2021:

Intact Financial Corp. (2a, 2e, 2g,7) (IFC-TSX, C$170.60)

GLF Environmental Inc. (2g, 12) (GFL-TSX, C$116.91)

Key to important disclosure footnotes:

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

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2d CIBC World Markets Corp. has received compensation for investment banking services from 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.

2f CIBC World Markets Corp. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 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.

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3c CIBC World Markets Inc. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.

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12 The equity securities of this company are subordinate voting shares.

13 The equity securities of this company are non-voting shares.

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CIBC World Markets Research rating system

Stock ratings

Abbreviation	Rating	Description
OP	Outperformer	Stock is expected to outperform the sector during the next 12-18 months.
NT	Neutral	Stock is expected to perform in line with the sector during the next 12-18 months.
UN	Underperformer	Stock is expected to underperform the sector during the next 12-18 months.
NR	Not Rated	CIBC does not maintain an investment recommendation on the stock.
R	Restricted	CIBC World Markets is restricted[3] from rating the stock.

Sector weightings[4]

Abbreviation	Rating	Description
O	Overweight	Sector is expected to outperform the broader market averages.
M	Market Weight	Sector is expected to equal the performance of the broader market averages.
U	Underweight	Sector is expected to underperform the broader market averages.
NA	None	Sector rating is not applicable.

"Speculative" indicates that an investment in this security involves a high amount of risk due to volatility and/or liquidity issues.

"CC" indicates Commencement of Coverage. The analyst named started covering the security on the date specified.

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