

August 2020

RECOVERY CONTINUES

Over the early summer months, global economies have shown improvements. Jobs, retail sales, food services, and industrial production have been experiencing significant bounces. As we head into the fall, the recovery is expected to continue, but at a slower rate. When parents return to work and children go back to school, we can expect an increase in labour productivity. However, before a vaccine becomes available and complete economic recovery is feasible, many industries will likely remain shells of their former self. Investors are hopeful for vaccine approval and broad delivery, with predictions of the timeframe ranging from the first to the third quarter of 2021.

As we move away from lockdown, the ongoing recovery of global economies supported by government stimulus has helped markets move higher. The month of August continued with strong returns for global equities. International and Emerging markets performed well, while Japan posted the strongest performance driven by their heavy exposure to the industrial sector. The US continued to lead global stocks partly aided by a weaker US dollar and lower COVID cases. Some sectors have seen a very strong recovery, such as technology and health care, while other sectors such as financials, energy, and real estate have been struggling, and could have good value in the later stages of recovery.

Some unknowns still remain which can threaten a fragile global recovery. For one, the threat of a second wave of COVID cases that could shut down companies and enforce lockdowns might cause the recovery to stall. Rising tensions between the US and China could result in retaliatory tariffs that could dampen global trade. The upcoming US election could result in a leadership change creating more instability in a divided country.

The markets are rebounding back from the crash and we believe the growth will continue but we are still expecting volatility in the months ahead. We are continuing to invest your portfolios defensively in our allocations to fixed income and alternatives to help weather market volatility.

Portfolio Contributors

The top contributor for the month was once again ARK Innovation ETF (ARKK) up over 20%, investing in disruptive technologies such as automotive, health care, and finance. Vanguard Information Technology (VGT) was our second-largest contributor up over 11% as the technology sector continued to lead markets higher.

Portfolio Detractors

Safe-haven assets had a pullback as the risk-taking preference continued through the summer. The Ninepoint Gold Bullion fund was down 4.3% after having a strong performance year to date. The fixed income ETF Vanguard Aggregate Bond Index (VAB) was slightly negative, down 0.5%.

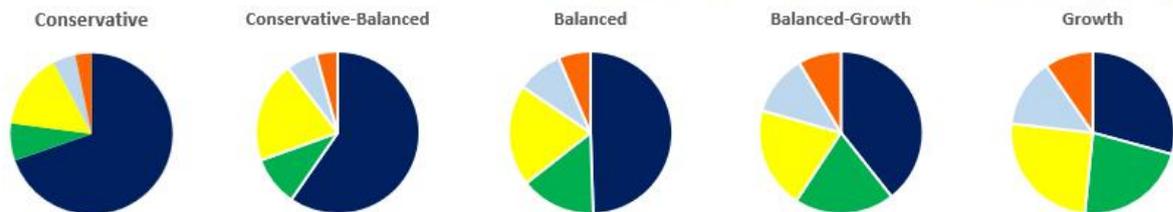
Invest with
PURPOSE

Investment and Benchmark Performance

as of August 31st

Name	1-Mo	3-Mo	6-Mo	1-Yr	3-Yr Annualized	5-Yr	YTD 2020	2019	2018	2017	2016
CPF Fixed Income Model	-0.07%	2.27%	1.64%	3.99%	3.74%	3.42%	3.2%	7.6%	-0.4%	3.4%	3.6%
Canadian Universe Bond Index	-1%	1.80%	3.96%	5.55%	5.38%	3.91%	7.3%	7.3%	1.0%	2.4%	1.0%
CPF Equity Model	2.5%	4.9%	2.0%	0.4%	5.3%	6.7%	-4.3%	19.2%	-3.6%	15.0%	8.7%
MSCI World Index (CAD)	3.5%	7.6%	10.8%	12.7%	10.6%	9.5%	4.4%	21.5%	-1.5%	14.4%	2.9%
CPF Alternative Model	-1.6%	1.8%	1.6%	2.7%	3.1%	4.4%	1.9%	5.2%	1.9%	9.4%	5.9%
Absolute Return of 5% Per Year	0.4%	1.3%	2.5%	5.0%	5.0%	5.0%	3.3%	5.0%	5.0%	5.0%	5.0%
CPF Thematic Growth Model*	7.0%	18.6%	26.8%	34.4%	18.0%	14.2%	25.8%	26.4%	-2.8%	12.6%	10.5%
MSCI World Index (CAD)	3.5%	7.6%	10.8%	12.7%	10.6%	9.5%	4.4%	21.5%	-1.5%	14.4%	2.9%
CPF North American Stock Model	2.2%	5.4%	-0.6%	2.4%	10.7%	12.8%	1.2%	24.9%	-4.2%	27.5%	16.9%
50% S&P/TSX60 + 50% S&P500	4.4%	11.7%	9.9%	11.3%	9.5%	9.8%	3.5%	25.5%	-6.9%	15.1%	15.1%

All performance data tracked in SIACharts.com & Morningstar Direct. All returns are gross of advisor fees.



Name	1-Mo	3-Mo	6-Mo	1-Yr	3-Yr Annualized	5-Yr	YTD 2020	2019	2018	2017	2016
Conservative Portfolio	0.1%	2.6%	1.7%	3.2%	4.2%	3.8%	1.8%	10.0%	-1.4%	4.9%	4.1%
Conservative-Balanced Portfolio	0.4%	2.9%	1.7%	2.6%	4.1%	3.7%	0.6%	10.8%	-1.6%	5.2%	3.8%
Balanced Portfolio	0.6%	3.2%	1.8%	2.3%	4.3%	4.0%	-0.2%	12.0%	-2.0%	5.8%	4.6%
Balanced-Growth Portfolio	0.9%	3.4%	1.8%	1.9%	4.1%	4.1%	0.9%	12.3%	-1.8%	6.9%	4.6%
Balanced-Growth With Stocks Portfolio	1.4%	5.0%	4.0%	5.4%	6.0%	5.6%	2.7%	13.6%	-1.5%	8.9%	4.8%
Growth Portfolio	0.9%	3.5%	1.8%	1.7%	4.2%	4.2%	-1.3%	12.7%	-1.9%	7.5%	4.7%

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Proxy funds used for benchmark indexes:

- Canadian Universe Bond Index: iShares Canadian Universe Bond Index EFT (XBB.TO)
- MSCI World Index (CAD): iShares MSCI World Index EFT (XWD.TO)

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