

June 2021

Surging Employment and a Strong Currency

After a long battle, the Keystone XL pipeline project has officially been scrapped. TC Energy, the pipeline developer, announced this month that they would no longer pursue the project. President Biden had previously rescinded building permissions, which was the death knell for the project which had met pushback since it was proposed in 2008. Although the pipeline would have helped Canadian producers and pricing, the announcement had little effect on the Canadian Crude Index as it continued its march past pre-pandemic highs.

After falling in both April and May, the Canadian employment rate has begun to recover again as the vaccination rate rises and provinces are beginning to reopen. Across the country, the labour force grew by 0.8% in June. Services sectors have disproportionately added the most during the recovery as these industries would have been most affected at the start of the pandemic with stay-at-home orders. While provinces begin reopening their economies, the Canadian government extended restrictions on nonessential travel between Canada and the U.S. until July 22nd.

The Canadian dollar depreciated against the U.S. dollar during the month, although the Loonie is still one of the best performing G7 currencies year-to-date. Upgraded oil price forecasts and a rapidly improving economy has bolstered the currency. With the Bank of Canada continuing to unwind pandemic stimulus, consensus projections are that the Bank will begin hiking rates in 2022.

While Chinese regulators are focusing on tech firms, local authorities have started cracking down on bitcoin mining operations. Operations were stopped at 26 mining facilities in the Sichuan province as sentiment turned against the cryptocurrency. The timing of the crackdown coincides with the rollout of the government's own digital currency, issued by The People's Bank of China. The Chinese yuan, currently only accessible by invite, has 10 million users and is expected to grow as it is released to the broader market.

Portfolio Contributors

- **ARKK Innovation ETF (ARKK)** gained 19.98% over the month as the Federal Reserve presented a more dovish outlook than expected
- **Vanguard Information Technology (VGT)** added 10.25% as investors sought growth-oriented stocks

Portfolio Detractors

- **EdgePoint Global Portfolio (EDG500)** rose 1.07% and was still one of the lowest returning positions during a strong month of capital appreciation
- **Ninepoint Gold Bullion (NPP226)** fell 4.70% as inflation concerns eased

All performance and economic data sourced from SIACHarts and FACTSET.

Invest with
PURPOSE

Investment and Benchmark Performance

as of June 30th

Name	1-Mo	3-Mo	6-Mo	1-Yr	3-Yr Annualized	5-Yr	YTD 2021	2020	2019	2018	2017
CPF Fixed Income Model	0.7%	1.3%	-2.4%	-0.3%	3.4%	2.8%	-2.4%	4.5%	8.3%	-0.4%	3.4%
Canadian Universe Bond Index	1.1%	1.7%	-3.6%	-2.5%	4.1%	2.5%	-3.6%	8.6%	7.3%	1.0%	2.4%
CPF Equity Model	5.7%	5.0%	5.1%	31.9%	10.5%	11.2%	5.1%	15.0%	19.2%	-3.6%	15.0%
MSCI World Index (CAD)	4.3%	5.6%	10.4%	25.6%	12.0%	13.2%	10.4%	11.4%	21.4%	-1.5%	14.4%
CPF Alternative Model	0.1%	2.0%	2.3%	6.0%	5.7%	5.6%	2.3%	7.3%	7.8%	1.1%	9.6%
Absolute Return of 5% Per Year	0.4%	1.3%	2.5%	5.0%	5.0%	5.0%	2.5%	5.0%	5.0%	5.0%	5.0%
CPF North American Stock Model	2.8%	9.3%	20.2%	39.4%	13.5%	18.4%	20.2%	12.2%	25.1%	-4.2%	27.5%
50% S&P/TSX60 + 50% S&P500	2.3%	7.7%	15.0%	33.7%	13.2%	13.3%	15.0%	10.0%	25.5%	-6.9%	15.1%

All performance data tracked in SIACHarts. All returns are gross of advisor fees.

Conservative



Conservative-Balanced



Balanced



Balanced-Growth



Growth



Name	1-Mo	3-Mo	6-Mo	1-Yr	3-Yr Annualized	5-Yr	YTD 2021	2020	2019	2018	2017
Conservative Portfolio	2.0%	2.7%	1.3%	8.2%	5.8%	4.6%	1.3%	7.3%	10.8%	-1.5%	5.0%
Conservative-Balanced Portfolio	2.3%	2.8%	1.7%	11.4%	6.3%	5.0%	1.7%	8.2%	11.6%	-1.7%	5.2%
Balanced Portfolio	2.8%	3.2%	2.5%	14.4%	6.9%	5.7%	2.5%	9.2%	12.8%	-2.2%	5.8%
Balanced-Growth Portfolio	3.3%	3.6%	3.2%	17.5%	7.7%	6.3%	3.2%	10.1%	13.0%	-2.0%	7.0%
Balanced-Growth w/ Stock Portfolio	2.9%	4.1%	4.8%	20.1%	9.3%	7.9%	4.8%	13.5%	14.4%	-1.7%	8.9%
Growth Portfolio	3.5%	3.7%	3.6%	18.9%	7.9%	6.6%	3.6%	10.4%	13.5%	-2.1%	7.5%

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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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