

November 2021

Uncertainty Stifles Growth

Equity markets were on track to close another month at all-time highs before the Omicron variant spooked investors and applied downward pressure in the last week of November. Should Omicron prove to be more transmissible and resilient to existing vaccines, it could force governments to reimpose strict lockdowns or travel restrictions, stifling consumer demand before the holiday season.

The labour recovery, usually a sign of a strong and healthy economy, surprised economists to the upside as the unemployment rate in Canada and the U.S. fell to 6.0% and 4.2%, respectively. The surge in employment brings the rates closer to pre-pandemic levels, meaning central banks are nearing their objective of returning the economy to full employment.

Omicron hit energy markets as investors priced in reduced demand from travel restrictions. The price of West Texas Intermediate fell to US\$65.00 before recovering lost ground. Prior to this selloff, a consortium of nations not included in OPEC+ agreed to release oil from their domestic Strategic Petroleum Reserves with the intent of bringing down energy prices.

Spending on Black Friday deals looked to come in on the low end of expectations this year as consumers and businesses grapple with higher inflation. The high savings rate for consumers during the lockdowns meant spending which is usually reserved for the holiday season was brought forward in the year once these restrictions were removed. Retailers like Target had built up inventory in the third quarter to alleviate pressure from supply chain disruptions. Target sources a large portion of their product mix from Asia, meaning ocean freight inflation could quickly eat into gross margins.

Apple warned investors that they expect iPhone demand to drop in the fourth quarter and that they have notified manufacturers to slow production. Even with this bleak outlook to end the fiscal year, analysts expect demand to continue outstripping supply. As shortages related to semiconductors are clearing, lead times for delivery of new iPhones to buyers have dropped, a positive sign for future demand.

Portfolio Contributors

- **Apple** saw gains of 14.06% as historically strong cash flows allowed the company to sustain slowdowns during market distress.
- **Proctor & Gamble** shares rose 4.36% return over the month, emerging as a bright spot in the sector.

Portfolio Detractors

- **Enbridge** fell 6.05% despite strong earnings as the energy sector gets hit during the surfacing of new Omicron variant.
- **ARK Innovation ETF** dropped 10.04% due to anticipation of an aggressive federal reserve.

*All returns are for the reported month and in local currency.
All data sourced from SIACHarts and FACTSET.*

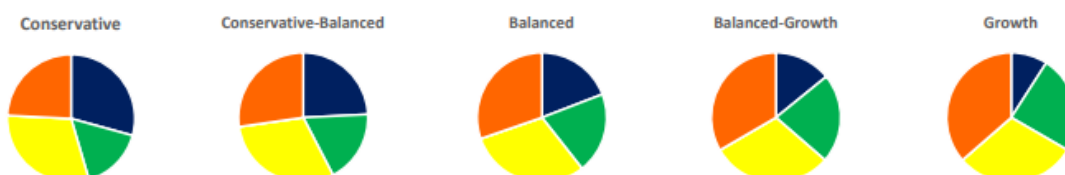
Invest with
PURPOSE

Investment and Benchmark Performance

as of November 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	2.2%	0.2%	2.0%	-0.3%	4.0%	3.0%	-1.0%	4.5%	8.3%	-0.4%	3.4%
Canadian Universe Bond Index	0.8%	-1.7%	0.2%	-4.0%	4.0%	2.8%	-4.5%	8.6%	7.3%	1.0%	2.4%
CPF Equity Model	-1.5%	-2.5%	7.9%	13.3%	11.9%	10.6%	7.2%	15.0%	19.2%	-3.6%	15.0%
MSCI World Index (CAD)	1.4%	0.9%	11.6%	20.6%	14.7%	12.9%	18.2%	11.4%	21.4%	-1.5%	14.4%
CPF Alternative Model	2.7%	2.3%	5.1%	9.8%	8.5%	6.9%	7.8%	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%	4.6%	5.0%	5.0%	5.0%	5.0%
CPF North American Stock Model	1.6%	-1.2%	8.3%	26.3%	18.6%	16.9%	26.7%	12.2%	25.1%	-4.2%	27.5%
50% S&P/TSX60 + 50% S&P500	-1.1%	1.4%	7.4%	23.5%	15.6%	12.7%	20.7%	10.0%	25.5%	-6.9%	15.1%

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



Name	1-Mo	3-Mo	6-Mo	1-Yr	3-Yr Annualized	5-Yr	YTD 2021	2020	2019	2018	2017
Conservative Portfolio	1.6%	0.0%	5.2%	6.4%	7.2%	5.3%	4.6%	7.3%	10.8%	-1.5%	5.0%
Conservative-Balanced Portfolio	1.5%	-0.1%	5.5%	7.6%	7.8%	5.8%	5.1%	8.2%	11.6%	-1.7%	5.2%
Balanced Portfolio	1.4%	-0.2%	6.2%	9.1%	8.6%	6.4%	6.0%	9.2%	12.8%	-2.2%	5.8%
Balanced-Growth Portfolio	1.3%	-0.3%	6.8%	10.6%	9.4%	7.1%	6.9%	10.1%	13.0%	-2.0%	7.0%
Growth Portfolio	1.2%	-0.3%	7.2%	11.4%	9.7%	7.5%	7.4%	10.4%	13.5%	-2.1%	7.5%
SRI-ESG Enhanced Portfolio	2.4%	7.7%	16.5%	19.7%	18.4%	-	17.8%	21.5%	18.6%	-1.3%	-

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

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)

Brent Vandermeer CIM®, FSCI
Portfolio Manager
CrossPoint Financial | iA Private Wealth

Gary M. Renaud CFP®, CIM®, FSCI, TEP
Portfolio Manager
CrossPoint Financial | iA Private Wealth

Get in Touch with Us

www.CrossPointFinancial.ca
info@crosspointfinancial.ca
2650 Queensview Drive, Suite 110
Ottawa, ON K2B 8H6
613-228-7777

Erin Gendron CFP®, FMA
Investment Advisor & Financial Planner
CrossPoint Financial | iA Private Wealth

James Gilbert
Associate Investment Advisor
CrossPoint Financial | iA Private Wealth