

June 2023

The Future of Energy

Canadian utility company Bruce Power plans to expand its nuclear plant in Ontario, potentially creating the world's largest facility as demand for clean energy grows. The government of Ontario has announced an environmental assessment for adding up to 4.8 GW of capacity to the plant, which currently supplies 30% of the province's power with its eight reactors. This expansion would surpass Japan's Kashiwazaki-Kariwa plant, currently the largest in the world. In addition, Ontario Power Generation plans to build three more small modular reactors at the Darlington nuclear power plant site, adding to the one already under construction. The fleet of small modular reactors is expected to produce 1,200 MW of electricity, helping to meet rising electricity demand and close the projected supply gap, although some critics raise concerns about relying on relatively untested SMRs as a power source.

China is actively securing long-term contracts and investments in liquefied natural gas (LNG) to enhance energy security and support its growing economy. These efforts contribute to global export projects, strengthen China's influence in the LNG market, and help diversify its energy imports while mitigating risks. Earlier in the year, China completed its first LNG trade settled in yuan, aiming to increase the relevance of its currency in global markets and challenge the dominance of the U.S. dollar in energy trade. The trade involved around 65,000 tons of LNG imported from the UAE and signifies China's efforts to strengthen cooperation with Gulf countries and further expand its LNG imports.

Canadian hiring in June surpassed expectations with a significant increase of 60 thousand in employment, the highest since January. This was three times higher than the predicted rise of 20 thousand, and it followed a decline of 17 thousand in May. The surge in hiring was mainly driven by the service sector, which fully reversed the previous month's decline. Despite a 0.2 percentage point increase in the unemployment rate, pushing it to its highest level since February 2022 at 5.4%, it remains below the pre-pandemic average of 5.7% in February 2020. With the Bank of Canada's policy meeting approaching, the strong labor market report increases the likelihood of a 25 basis points interest rate hike, especially considering concerns about the housing market.

Canadian consumers continue to exhibit strong spending habits, with retail sales surpassing expectations in May. Receipts for retailers increased by 0.5%, following a 1.1% jump the previous month. Core retail sales, excluding gasoline stations and car dealers, experienced their fifth consecutive monthly increase of 1.5%. Despite aggressive interest rate hikes, consumers remain resilient, engaging in activities like dining out, traveling, and making significant purchases.

Most equity sectors have shown positive performance year-to-date, driven by the AI boom in sectors like Information Technology, Communication Services, and Consumer Discretionary. Despite this, four sectors have experienced price declines in 2023, namely Energy, Utilities, Health Care, and Financials. The positive performance can be attributed to better-than-expected economic conditions in the first half of 2023. However, there are concerns about the sustainability of this rally, with a higher probability of a recession within the next 12 months. This could eventually impact equity performance, especially considering that stocks are not currently priced for a downturn.

Portfolio Contributors

- Shares of **Nucor Corp. (NUE)** were up 21.6% this month after an increase in earnings within its steel mills segment.
- **Canadian Tire Corp. (CTC.A)** was up 11.1% this month due to a partnership deal with Microsoft (MSFT) and the use of its Cloud and AI capabilities.

Portfolio Detractors

- **TransAlta Renewables (RNW)** was down 9.2% this month after it reported an earnings per share (EPS) drop of 40% for the last year.
- Units of the **Ninepoint Gold Bullion Fund (NPP226)** were down 4.6% this month due to strong U.S. economic readings. U.S. consumer confidence increased in June to the highest level in nearly 1-1/2 years.

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



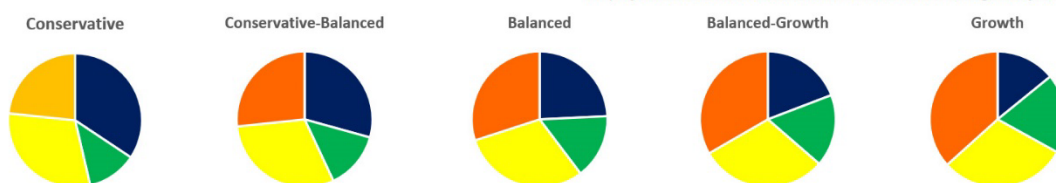
Invest with
PURPOSE

Investment and Benchmark Performance

as of June 30th, 2023

Name	1-Mo	3-Mo	6-Mo	1-Yr	3-Yr Annualized	5-Yr	YTD 2023	2022	2021	2020	2019
CPF Fixed Income Model	0.3%	0.1%	2.8%	3.5%	-1.8%	0.9%	2.8%	-8.3%	-1.8%	4.5%	8.3%
Canadian Universe Bond Index	0.1%	-0.7%	2.4%	3.3%	-3.8%	0.6%	2.4%	-11.7%	-2.8%	8.6%	7.3%
CPF Equity Model	3.5%	1.3%	6.6%	11.9%	4.7%	3.2%	6.6%	-19.8%	6.9%	15.0%	19.2%
MSCI World Index (CAD)	3.1%	4.7%	12.5%	20.7%	11.1%	8.9%	12.5%	-12.2%	21.9%	11.4%	21.5%
CPF Alternative Model	0.0%	0.8%	2.4%	6.0%	7.6%	6.8%	2.4%	7.1%	6.9%	10.3%	7.8%
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	4.6%	4.8%	11.8%	12.9%	16.4%	10.6%	11.8%	-9.1%	33.8%	12.2%	25.1%
50% S&P/TSX60 + 50% S&P500	4.8%	5.0%	10.1%	11.9%	11.0%	8.2%	10.1%	-14.5%	24.7%	10.0%	25.5%

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 2023	2022	2021	2020	2019
Conservative Portfolio	1.7%	1.6%	5.3%	7.7%	4.3%	4.3%	5.3%	-5.4%	5.4%	8.7%	10.3%
Conservative-Balanced Portfolio	1.9%	1.8%	5.6%	8.1%	5.4%	4.7%	5.6%	-5.7%	6.1%	9.5%	11.3%
Balanced Portfolio	2.0%	2.0%	5.9%	8.5%	6.4%	5.1%	5.9%	-6.0%	7.3%	10.3%	12.5%
Balanced-Growth Portfolio	2.2%	2.1%	6.3%	8.9%	7.5%	5.7%	6.3%	-6.2%	8.4%	11.2%	12.8%
Growth Portfolio	2.4%	2.3%	6.6%	9.4%	8.0%	5.9%	6.6%	-6.5%	9.1%	11.4%	13.4%
SRI-ESG Enhanced Portfolio	1.9%	6.4%	16.0%	21.0%	11.7%	11.8%	16.0%	-8.8%	13.5%	21.0%	18.1%

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)

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