

PORTFOLIO COMMENTARY

JANUARY 2024



Markets Spotlight

Canadian Equities (S&P/TSX)	0.30%
U.S. Equities (S&P 500)	1.59%
Global Equities (S&P Global BMI)	0.13%
Canadian Bonds (S&P Can. Agg. Bond)	-1.26%
U.S. Dollar (USD/CAD)	-1.39%
Gold (per ounce)	-1.05%
Crude Oil (WTI per barrel)	5.63%

All data is for the reported month and in local currency.

Market Pulse

Worries about bond market debt supply eased as bond prices rose and yields fell, offering investors profits despite large budget deficits. However, this calm may be temporary, as the US, UK, eurozone, and Japan plan to issue US\$2.1 trillion in new bonds for 2024, a 7% increase from last year. With central banks buying fewer bonds, governments might need to offer higher yields to attract investors. Although current focus is on potential central bank rate cuts, the large amount of new bonds could bring back concerns over debt levels.

The Canadian economy saw a significant rebound in the last quarter of 2023, with 0.3% growth in December, attributed to increased goods production, shipments, and strong demand from the US. This growth exceeded expectations and led to an annualized growth rate of 1.2% for the quarter, outpacing the Bank of Canada's projections. While the economy showed resilience, much of the growth was influenced by population increases, with per-capita economic performance actually declining. The central bank, maintaining its policy rate at 5%, now focuses on the duration of this rate level, anticipating growth acceleration in mid-2024 driven by household spending, exports, and business investments.

India's stock market has surpassed Hong Kong's in value for the first time, becoming the fourth-largest globally, driven by its growth prospects and policy reforms. This surge is part of a broader trend where India is increasingly seen as a favorable investment destination compared to China, due to its stable political environment, fast-growing economy, and a strong retail investor and corporate earnings landscape. In contrast, Hong Kong's market has declined amid China's economic challenges, including anti-Covid measures, regulatory crackdowns, and geopolitical tensions.

Canada's affordable housing crisis intensified in 2023, with the rental apartment vacancy rate hitting a record low of 1.5% and rent increases for two-bedroom units reaching an unprecedented 8%. This marks the tightest rental market since records began in 1988. The crisis, at the heart of the national cost of living issue, is partly attributed to high immigration levels and decades of insufficient investment in affordable housing. Despite government efforts to manage the situation, including restrictions on foreign student admissions and incentives for new rental construction, the rental supply grew by only 1.7%, failing to meet the demand from 1.2 million new arrivals.

*All data sourced from FACTSET and SICharts.
All data is for the reported month and in local currency.*



The Ups & Downs

- CGI Group (GIB.A) continued to beat earnings expectations with it's latest Q1 Report. The company has topped estimates 3 times in the last 4 quarters. Shares were up 12.6% in January.
- Shares of Microsoft (MSFT) climbed another 10.9%, investments in Open AI & their Intelligent Cloud business (Azure) drove revenue growth.

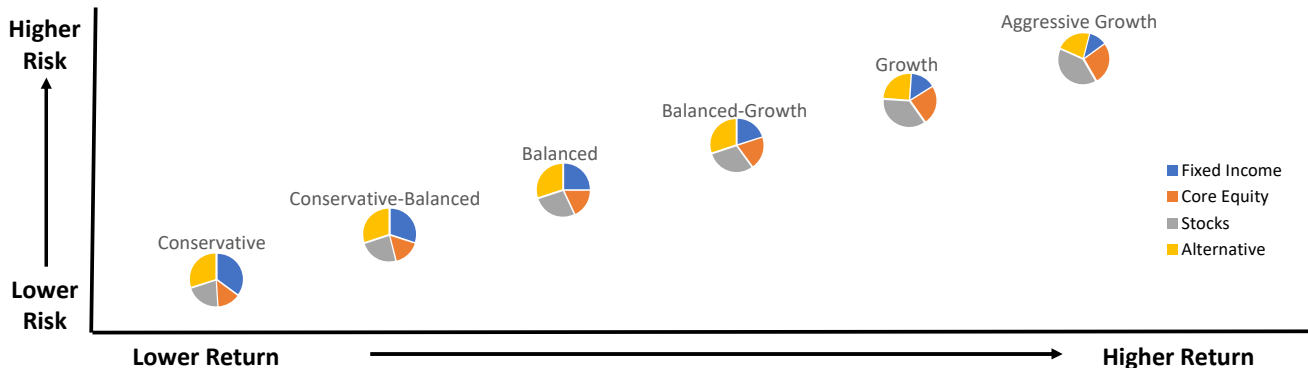
- United Parcel Service (UPS) slid 10.4% as the company continues to battle slowing demand. UPS announced plans to cut 12,000 jobs in 2024.

- TransAlta Corp. (TA) was down 12.5% on the month. Declining in line with natural gas prices, amid the warmest January in 15 years.

All data sourced from FACTSET and SIACHarts. All data is for the reported month and in local currency.

Portfolio Returns

As of January 31st, 2024



Name	Rolling			Annualized			Calendar Year				
	1-Mo	3-Mo	6-Mo	1-Yr	3-Yr	5-Yr	YTD 2024	2023	2022	2021	2020
CPF Fixed Income Model	-0.9%	5.9%	3.0%	3.0%	-1.4%	1.2%	-0.9%	6.7%	-8.3%	-1.8%	4.5%
CPF Equity Model (GARP†)	0.9%	11.6%	1.4%	4.7%	-2.3%	4.6%	0.9%	10.2%	-19.8%	6.9%	15.0%
CPF Equity Model (Income)	1.6%	8.5%	4.7%	7.7%	8.5%	-	1.6%	9.9%	-5.4%	20.0%	-
CPF Medium Stock Model	2.5%	10.1%	3.9%	13.5%	13.1%	13.0%	2.5%	14.6%	-9.1%	33.8%	12.2%
CPF Large Stock Model	1.0%	7.3%	1.8%	10.0%	-	-	1.0%	12.1%	-8.3%	-	-
CPF Alternative Model	0.0%	0.7%	1.8%	3.1%	6.4%	7.0%	0.0%	4.3%	7.1%	6.9%	10.3%

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

Name	Rolling			Annualized			Calendar Year				
	1-Mo	3-Mo	6-Mo	1-Yr	3-Yr	5-Yr	YTD 2024	2023	2022	2021	2020
CPF Conservative Portfolio *	0.5%	5.8%	2.6%	5.8%	2.7%	4.9%	0.5%	8.1%	-5.4%	5.4%	8.7%
CPF Balanced Portfolio *	0.8%	6.2%	2.6%	6.5%	3.2%	5.9%	0.8%	8.7%	-6.0%	7.3%	10.3%
CPF Growth Portfolio *	1.1%	6.7%	2.6%	7.1%	3.7%	6.7%	1.1%	9.3%	-6.5%	9.1%	11.4%
Balanced-Growth Benchmark	0.7%	8.1%	4.3%	8.5%	5.4%	6.9%	1.8%	11.8%	-7.5%	12.7%	8.5%
Canadian Universe Bond Index	-1.5%	6.6%	3.9%	2.1%	-3.0%	0.7%	-1.5%	6.6%	-11.7%	-2.8%	8.6%
MSCI World Index (CAD)	2.5%	11.8%	7.0%	16.4%	9.9%	11.4%	2.5%	19.5%	-11.6%	21.9%	11.4%
40% S&P/TSX Comp. + 60% S&P500	1.1%	13.5%	4.7%	11.1%	8.3%	10.0%	1.1%	17.0%	-14.5%	24.7%	10.0%
Absolute Return of 5% Per Year	0.4%	1.3%	2.5%	5.0%	5.0%	5.0%	4.2%	5.0%	5.0%	5.0%	5.0%

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*For those interested in SRI-ESG or Income focused strategies, please contact your advisor.

†Growth At a Reasonable Price focuses on identifying companies that exhibit both solid growth potential and reasonable valuation metrics.



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