



High Times

Our monthly Asset Allocation Strategy Report takes on a new format in September. Table 1 now presents our views on a sliding scale, which allows for a better representation of their magnitude. You will also find a summary of our base-case economic scenario (Table 3), as well as a model portfolio showing how our views translate into practice (Table 4).

Highlights

- > A little over five months after plunging 34% in the midst of a health crisis, U.S. equities managed to hit an all-time high in August, supported in part by better-than-expected corporate earnings. As well, a growing number of economic indicators continued to improve faster than expected, such as retail sales, which also reached a record high recently.
- > The flip side to this confluence of "good news" and rally in equity prices is that market sentiment is starting to look increasingly overheated. Does that mean now is the time to seek refuge ahead of a major correction? At these levels, a pullback would hardly be surprising, but it is unlikely to be major. Why?
- > First, all evidence suggests that we are in the early stages of a new business cycle, a time when equity-market performance is strongest on average. Second, monetary conditions also favour equity markets, perhaps even more so than ever before. Therefore, unless one (or both) of these two elements – an early cycle backdrop and accommodative monetary policies – are called into question, further record highs are to be expected in the coming months. Under these circumstances, we are maintaining our slightly pro-risk positioning, which we stand ready to increase should the opportunity arise.
- > Changes in the definition of the Federal Reserve's monetary policy objectives confirm that we should not expect rate hikes any time soon – even if inflationary pressures occur. This context implies that bond performances over the next year should be closer to their yield-to-maturity than they have been in the past. For government securities, this will probably not even cover inflation. Thus, corporate debt is likely to continue to attract capital from fixed-income investors seeking more reasonable returns.
- > In and of itself, the extent of the dominance of high-growth stocks in recent months (and years) suggests a potential change in leadership in favour of the value factor at some point in the future. But for this potential to become reality over an extended period of time, a catalyst pushing interest rates higher is needed, and it could be some time in coming. In our view, this unique background argues for sound factor diversification far more than an aggressive stance one way or the other. Practically speaking, we like the quality factor in the United States. Historically, it has closely tracked the performance of growth stocks, while avoiding the sharp correction that occurred in the early 2000s. For a position linked to the value factor but with more attractive properties, we favour the S&P 500 equally weighted index.

Table 1 Global Asset Allocation Views

	-	←	=	→	+	Δ
Asset Classes						
Cash						
Fixed Income						
Equities						
Alternatives						
Fixed Income						
Government						
Investment Grade						
High Yield						
Duration						
Equities						
Canada						
United States						
EAFE						
Emerging Markets						
Value <---> Growth						
Small <---> Large Cap.						
Low Vol <---> High Beta						
Alternatives & FX						
Inflation Protection						
Gold						
Non-Traditional FI						
Uncorrelated Strategies						
Canadian Dollar						

This table is for illustration purposes only. Bars represent the degree of preference of an asset relative to the maximum deviations allowed from a reference index. The further to the right (left) they are, the more bullish (bearish) our outlook for the asset is. For equity factors, a bar to the right indicates a preference for the factor to the right (e.g. Growth) and vice versa. No bars indicate a neutral view. The column under the delta sign (Δ) displays when our outlook has improved (↑) or worsened (↓) from the previous month. Consult Table 3 for details on the base-case economic scenario underpinning these views and Table 4 to see how they translate into a model balanced portfolio.

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Market Review

Fixed Income

- > August saw the Federal Reserve provide new guidelines on how it would go about fulfilling its dual mandate, specifically **calling for an "average" inflation target of 2%** in contrast to its previous goal of targeting that threshold more directly.
- > The announcement provided the impetus necessary for longer-term yields to move higher, although they remain within their range-bound levels of the last few months.
- > Meanwhile, High-Yield spreads shrank throughout the month, ending below their historical average for the first time since the start of the pandemic.

Canadian Equities

- > August delivered mixed results across Canadian equity sectors, with just over half of them posting positive returns.
- > The latest earnings season ended well with actual year-over-year growth finishing somewhat above its depressed starting point and nearly 60% of companies beating their consensus forecasted earnings.
- > Cyclical sectors finished at the head of the pack, with Financials particularly being helped by a jump in expected earnings throughout the month.

U.S. Equities

- > The S&P 500 broke new ground in August by climbing above its pre-pandemic peak, spurred on in part by high performing, technology-related stocks and thereby **completing its fastest "bear market" recovery in history**.
- > Even as the U.S. officially reported its steepest post-war quarterly GDP contraction (-33% on an annualized basis), higher-frequency measures of economic and financial health – such as weekly jobless claims and forward earnings – provided a balance of positive news for equity investors.
- > Growth-style stocks in the Technology and Communication Services sectors once again outperformed their peers throughout August, although cyclical sectors such as Industrials also fared well.

Commodities

- > The price of gold reached an all-time high (\$2052/oz) in August helped by a continued climb in inflation expectations, but ultimately finished flat for the month as investors looked to cool off from its recent hot-streak.
- > In contrast, WTI's price trended higher, breaking above its 200-day moving average for the first time since January, as the U.S. rig count stabilized and total crude inventory levels shrank closer toward recent historical norms.

Foreign Exchange

- > The Greenback failed to halt its ongoing slide last month, with the DXY retreating for a fourth month in a row, with the Euro playing only a limited role in the decline as the common currency remained relatively range-bound throughout August.
- > A resurgence in COVID-19 cases in some parts of Europe, putting in doubt the speed of the **area's** economic recovery, would have played a part in halting the **Euro's** recent surge.

Table 2 Market Total Returns

Asset Classes	August	YTD	12 months
Cash (3-month T-bills)	0.0%	0.8%	1.4%
Bonds (FTSE CA Ovr. Univ.)	-1.1%	7.7%	5.8%
FTSE CA Short term	0.1%	4.6%	4.4%
FTSE CA Mid term	-0.4%	8.9%	6.6%
FTSE CA Long term	-3.0%	10.5%	7.0%
FTSE CA Government	-1.4%	8.0%	5.7%
Federal	-0.9%	7.1%	5.0%
Provincial	-1.8%	8.7%	6.2%
Municipal	-1.4%	8.5%	6.5%
FTSE CA Corporate	-0.5%	6.8%	6.3%
AA+	-0.1%	5.3%	5.2%
BBB	-0.2%	7.1%	6.8%
BoAML Inv. Grade (\$US)	-1.2%	6.9%	7.5%
BoAML High-Yield (\$US)	1.0%	0.8%	3.7%
Preferred Shares	4.6%	-1.2%	6.0%
Canadian Equities (S&P/TSX)	2.3%	-1.1%	3.8%
Energy	2.2%	-28.0%	-18.6%
Industrials	4.3%	6.0%	9.1%
Financials	6.9%	-9.7%	-2.7%
Materials	-0.7%	29.6%	29.5%
Utilities	-1.6%	2.7%	8.1%
Cons. Disc	2.1%	-5.1%	-8.3%
Cons. Staples	-4.7%	2.6%	-1.6%
Healthcare	-7.4%	-35.3%	-43.5%
IT	0.2%	72.2%	77.3%
Comm. Svc.	1.1%	-6.8%	-4.8%
REITs	0.1%	-17.4%	-16.9%
S&P/TSX Small Cap	4.1%	-4.2%	-1.1%
US Equities (S&P500 USD)	7.2%	9.7%	21.9%
Energy	-1.0%	-39.3%	-33.5%
Industrials	8.6%	-3.3%	5.2%
Financials	4.3%	-17.3%	-4.4%
Materials	4.4%	4.1%	14.2%
Utilities	-2.6%	-6.7%	-2.0%
Cons. Disc	9.5%	28.0%	34.9%
Cons. Staples	4.7%	5.7%	11.3%
Healthcare	2.7%	7.3%	22.5%
IT	12.0%	36.0%	57.9%
Comm. Svc.	9.1%	16.1%	27.1%
REITs	0.0%	-4.8%	-4.4%
Russell 2000 (USD)	5.5%	-6.4%	4.5%
World Eq. (MSCI ACWI)	6.2%	5.1%	17.1%
MSCI EAFE (USD)	5.2%	-4.3%	6.6%
MSCI EM (USD)	2.2%	0.7%	14.9%
Commodities (CRB Index)	4.5%	-1.7%	2.0%
WTI Oil (US\$/barrel)	7.1%	-30.2%	-22.7%
Gold (US\$/ounce)	-0.4%	29.4%	28.7%
Copper (US\$/tonne)	4.3%	8.9%	18.4%
Forex (DXY - US Dollar Index)	-1.3%	-4.4%	-6.9%
USD per EUR	1.1%	6.5%	8.6%
CAD per USD	-2.7%	0.5%	-2.0%

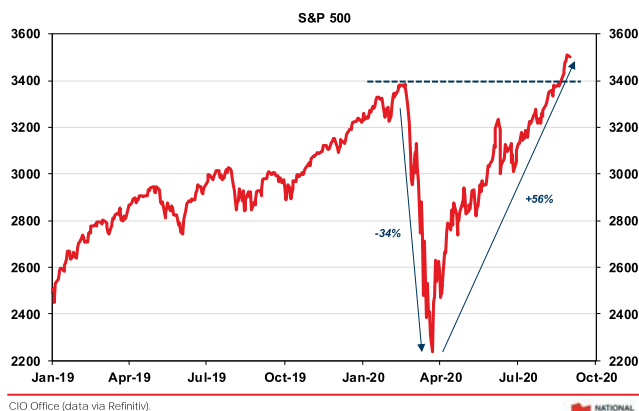
CIO Office (data via Refinitiv)

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High Times

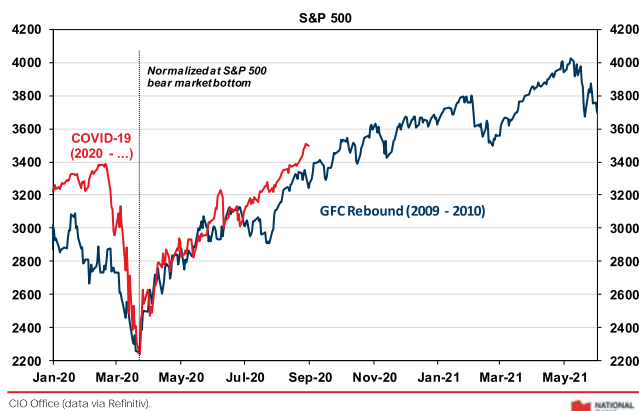
A little over five months after plunging 34% in the midst of a health crisis, the flagship U.S. stock market index managed to hit an all-time high in August (Chart 1).

1 All-time high for the U.S. stock market...



In our July 1 report, we mentioned that although the drop in the first quarter of the year had little in common with the previous bear market, the magnitude of the rebound was in fact very similar to what we saw in 2009. This remains true two months later, the only difference being that the rally was even more linear this time (Chart 2).

2 ... which continues to follow a previously seen trajectory

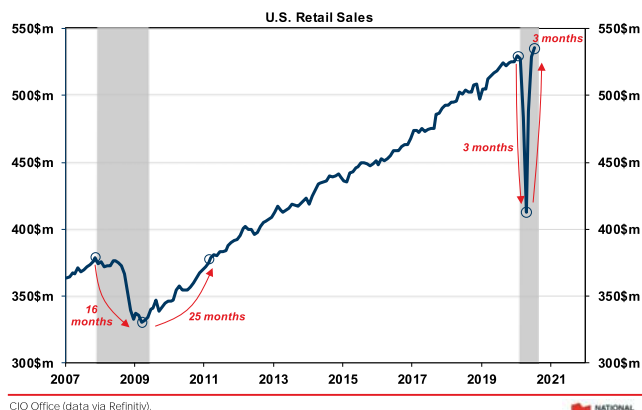


Evidently, the 2020 backdrop is not a perfect replica of 2009. However, one aspect that is more encouraging today is the scale of the monetary and fiscal measures. These have, among other things, helped retail sales reach an all-time high in July, only three months after their trough (compared to 25 months during the previous recession) (Chart 3).

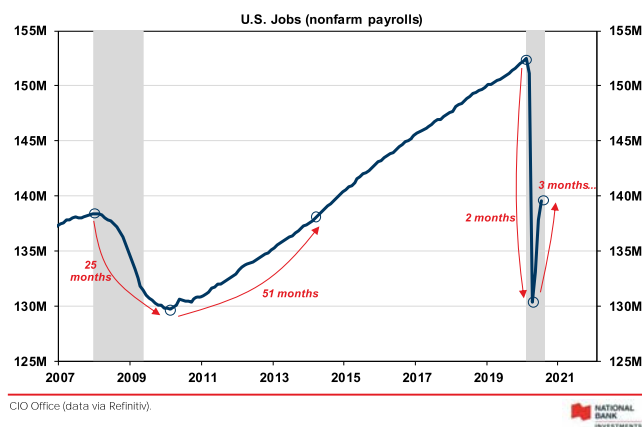
To be fair, not all economic figures are "V-shaped" – think of the labour market (Chart 4) – and we continue to expect the road to recovery to be rather long and winding.

Nevertheless, the recent earnings season has provided some positive signals for the future. Granted, a 29% year-over-year decline in earnings is no cause for celebration. It is nonetheless

3 All-time high for U.S. retail sales...



4 ... but still a long way to go for employment



much better than the 43% drop that was initially expected, with 82% of companies beating analysts' estimates. What's more, Technology and Healthcare sectors – the two largest S&P 500 sectors accounting for nearly 40% of the Index – even managed to deliver positive earnings growth over the period (Chart 5).

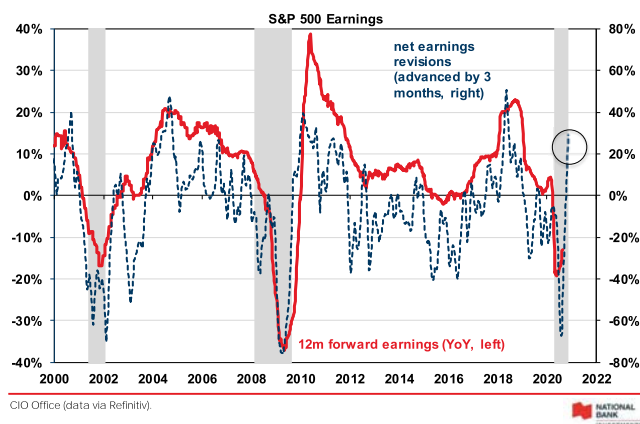
5 A (relatively) strong earnings season...

Earnings Summary - S&P 500					Q2/2020 YoY*
	% Reported	% Beat	% Met	% Missed	
S&P 500	98%	82%	2%	15%	-28.5%
Technology	99%	94%	3%	3%	7.2%
Health Care	98%	90%	0%	10%	8.7%
Materials	100%	89%	4%	7%	-28.2%
Industrials	99%	89%	0%	11%	-82.4%
Comm. Sev.	100%	85%	4%	12%	-15.2%
Staples	91%	83%	0%	17%	-4.4%
Utilities	100%	82%	14%	4%	7.7%
Financials	100%	78%	3%	18%	-41.2%
Discretionary	97%	76%	0%	24%	-65.8%
Energy	100%	73%	0%	27%	-169.6%
Real Estate	100%	45%	6%	48%	-13.8%

CIO Office (data via Thomson Reuters Eikon).

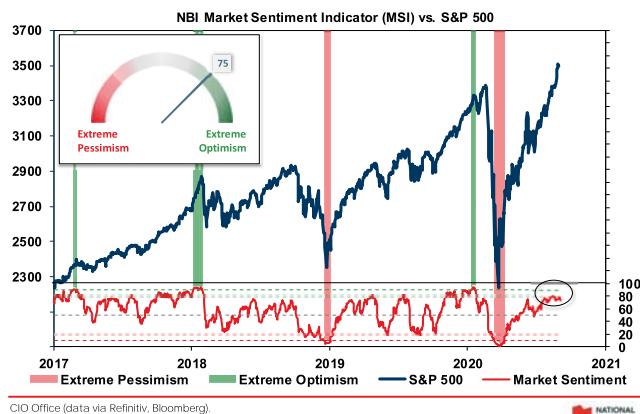
Overall, upward revisions recorded in recent weeks point to a sustained recovery in corporate profits in the coming months (Chart 6).

6 ... bodes well for the future



The flip side to this confluence of "good news" and rally in equity prices is that market sentiment is starting to look increasingly overheated. Case in point: our sentiment indicator stands near its highest level since January 2020, albeit still below the extreme optimism threshold (>90, Chart 7).

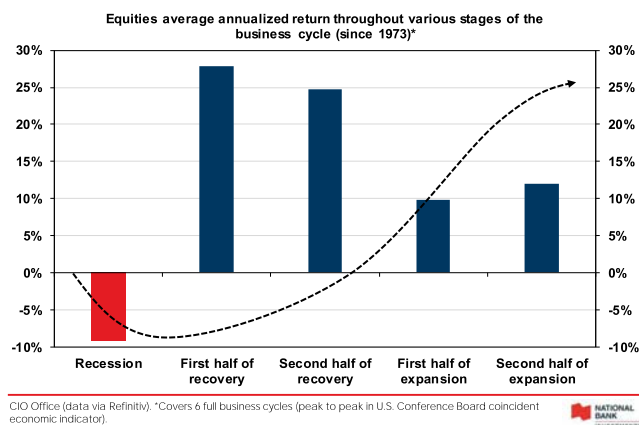
7 Market sentiment is increasingly elevated...



Does that mean now is the time to seek refuge ahead of a major correction? At these levels, a pullback would hardly be surprising, especially considering that investors' **nervousness** could increase as we get closer to the November 3 U.S. Presidential elections.^[1] Uncertainty over the next round of emergency fiscal measures could also weigh on markets, with policymakers visibly pushing the timeline of an inevitable deal as far out as possible. Any potential downturn, however, is unlikely to be major (i.e. >10%). Why?

First, because all evidence suggests that we are in the early stages of a new business cycle, a time when equity-market performance is strongest on average (Chart 8). We

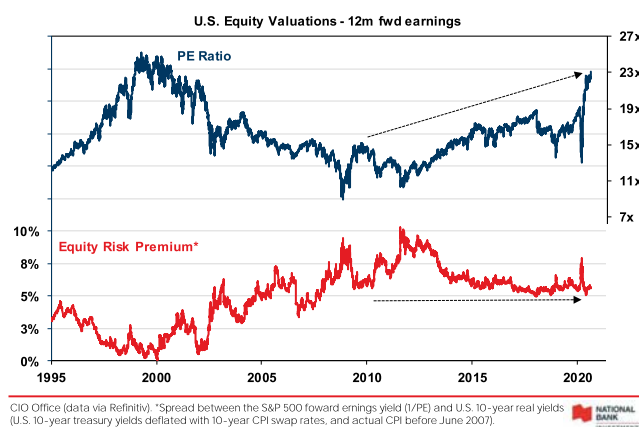
8 ... but let's not forget our position in the business cycle...



acknowledge that the current recovery is unique in that it remains under the threat of a vicious virus. But, we continue to believe that occasional COVID-19 outbreaks are more likely to slow the recovery at times rather than bring it to a halt.

Second, monetary conditions also favour equity markets, as expected at this stage of the cycle. This is partially reflected by the equity risk premium, a valuation measure which adjusts the traditional price/earnings ratio for the levels of interest rates and inflation. This premium remains within the range of the last 10 years (~5.5%), and well above where it was during the technology bubble 20 years ago (~0%) (Chart 9).

9 ... and the equity risk premium



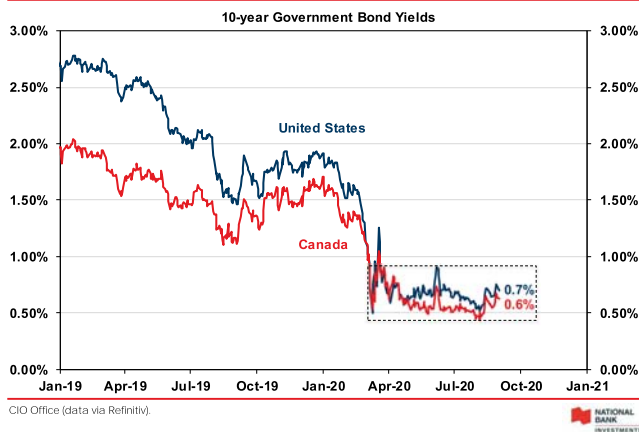
Therefore, unless one (or both) of these two elements – an early cycle backdrop and accommodative monetary policies – are called into question, further record highs are to be expected in the coming months. Under these circumstances, we are maintaining our slightly pro-risk positioning, which we stand ready to increase should opportunity arise.

[1] For more information on the U.S. Presidential election and the impact of a Biden victory, see the latest Geopolitical Briefing from our colleagues at NBF Economics and Strategy (https://www.nbc.ca/content/dam/bnc/en/rates-and-analysis/economic-analysis/GeopoliticalBriefing_200818.pdf).

Fixed Income: Changing Times

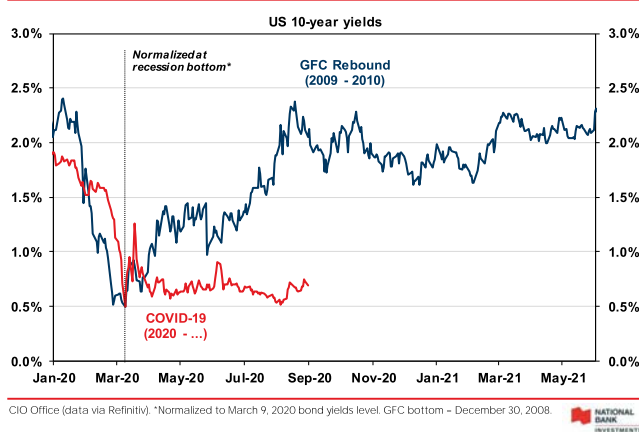
Relative calm continued for bond markets in August, as U.S. and Canadian 10-year Treasury yields rose, but remained stuck in their narrow range of recent months (Chart 10).

10 Interest rates remain confined...



Unlike the stock market, this trend has nothing to do with what we saw in the post-financial crisis period. Indeed, the cyclical rebound of 2009 saw U.S. 10-year rates rise by about 150 basis points from their low point. Today, they are only 19 basis points above last March's trough (Chart 11).

11 ... contrary to what we observed in 2009



As we wrote last month, this stability is simply a reflection of the monetary policy enforced by the Federal Reserve which plans to leave its target rate unchanged for several years, even as inflationary pressures increase. This is all the more clear now that the Central Bank has formally introduced changes to its long-term objectives.

Indeed, Jerome Powell confirmed on August 27 that, while their dual mandate of (1) maximum employment and (2) price stability remains, their definition of these two objectives has evolved to take into account today's economic realities and lessons learned from the last round of rate hikes (and cuts).

[...] With regard to the employment side of our mandate, our revised statement says that our policy decision will be

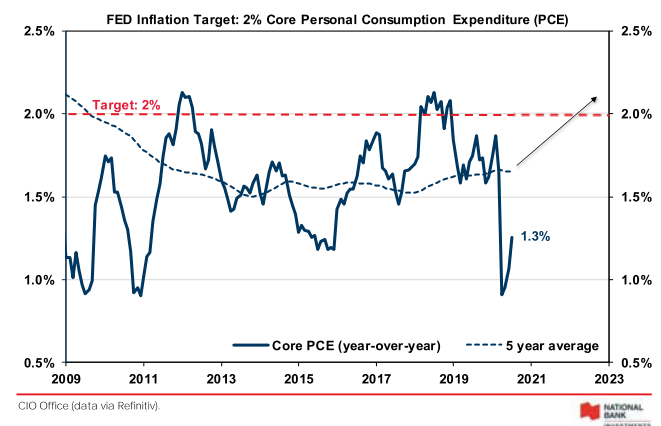
informed by our "assessments of the shortfalls of employment from its maximum level" rather than by "deviations from its maximum level" as in our previous statement. [...] The change to "shortfalls" clarifies that, going forward, employment can run at or above real-time estimates of its maximum level without causing concern, unless accompanied by signs of unwanted increases in inflation or the emergence of other risks that could impede the attainment of our goals.

We have also made important changes with regard to the price-stability side of our mandate. [...] Our new statement indicates that we will seek to achieve inflation that averages 2 percent over time. Therefore, following periods when inflation has been running below 2 percent, appropriate monetary policy will likely aim to achieve inflation moderately above 2 percent for some time.

- Jerome Powell, *New Economic Challenges and the Fed's Monetary Policy Review*, August 27, 2020.

Such changes are by no means anodyne, but neither are they surprising. In short, they confirm that the Federal Reserve seeks to bring inflation numbers slightly above target in order to counterbalance the deficits of recent years (Chart 12) and, above all, to avoid a Japanese or European type of situation. Bottom line: **don't expect rate hikes any time soon.**

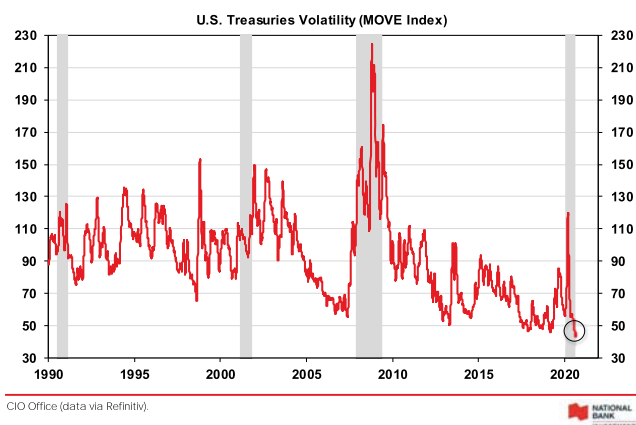
12 The Federal Reserve's intentions are crystal clear...



Such clarity in the Fed's intentions regarding the path of its policy rate effectively reduces uncertainty for longer Treasury yields as they conceptually reflect the average Fed rate over their term (plus a premium). This is illustrated by the MOVE volatility index (equivalent to the VIX for U.S. Treasury bills) – at its lowest level in 30 years (and one more element to be added to the long list of historic firsts observed in 2020, Chart 13, next page).

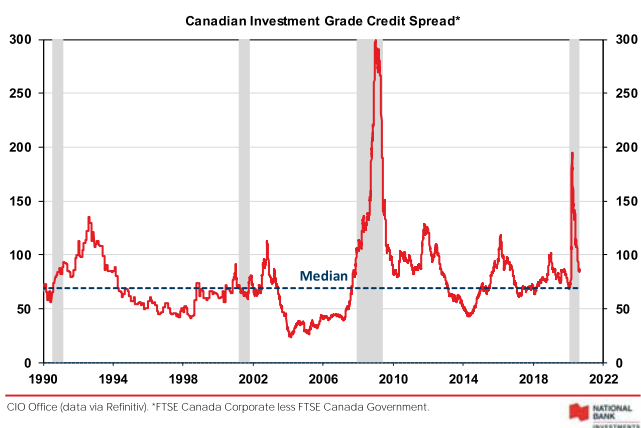
This context implies that bond performances over the next year should be closer to their yield-to-maturity than they have been in the past. For government securities, this will probably not even cover inflation. Thus, corporate debt is likely to continue to attract capital from fixed-income investors seeking returns closer to their absolute objectives. For our part, however, we continue to favour investment-grade (IG) debt over high-yield. While IG credit spreads have narrowed, they remain above

13 ... which reduces uncertainty in the bond markets



their historical median (Chart 14) and are less prone to be offset by defaults that are to be expected of lower-quality securities over the next months.

14 Investment grade credit should outperform



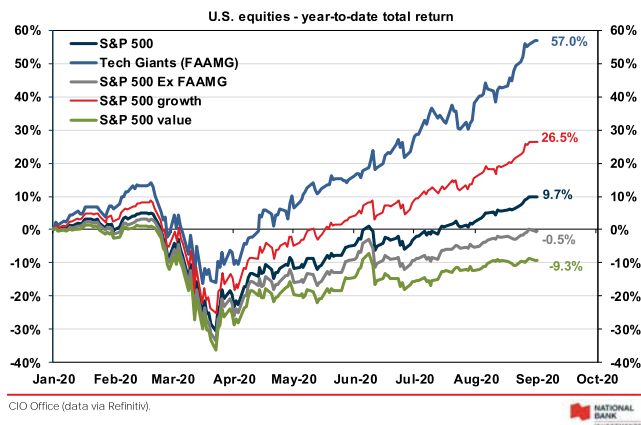
Equities: In two Minds

It's no secret. If the U.S. equity market was the first to hit a record high, it's mainly due to its heavy weighting in technology and growth-style stocks, which completely dominate this year (Chart 15).

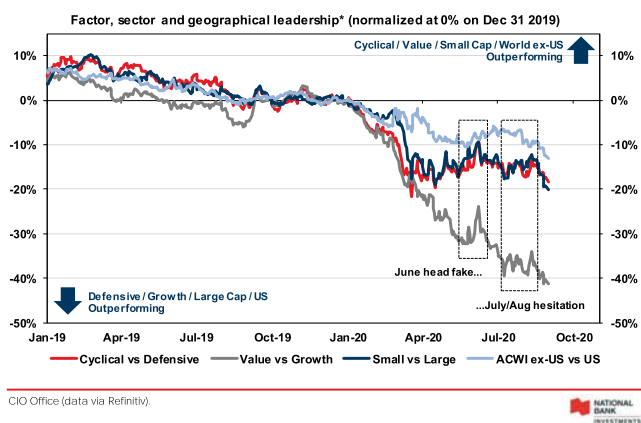
However, those who followed markets on a daily basis during this summer have likely noticed several periods of sharp reversals in favour of sectors and styles that are lagging behind. For example, early June saw the value factor massively outperform for a few days, before high-growth stocks reasserted their dominance. More recently, in July and August, these relative trends have gone up and down, although the winners are still the same (Chart 16).

Such hesitation is understandable given the extent of the dominance of the growth style in recent months (and years). For instance, if we look back through 55 years of history, we find that the divergence between the two styles is almost three standard deviations from the long-term average, a similar gap

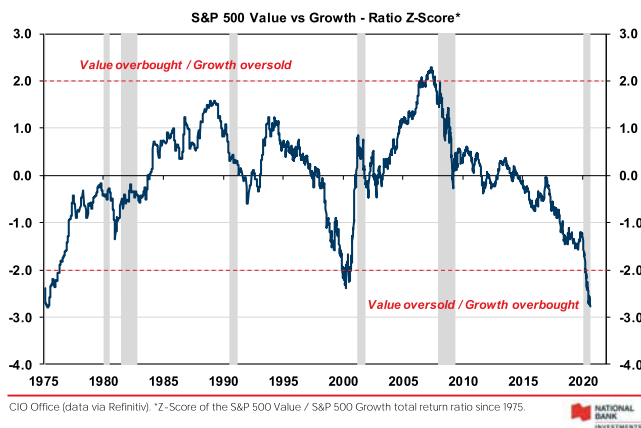
15 Total domination of tech & growth in 2020...



16 ... despite some hesitation in recent months



to what could be observed just before previous strong reversals beneficial for the value style (1975 and 2000, Chart 17).

17 The stage is *technically* set for a rotation to value...

From a technical standpoint, it is hard to deny that the stage is set for a potential change in leadership. But for this potential to become reality over an extended period of time (not just a few days or weeks), a catalyst is needed, and it could be some time

in coming. The reason is that the relationship between value and growth (or cyclical and defensive) is tied to the direction of interest rates that are confined near zero by current monetary policies (Chart 18).

18 ... but a catalyst may be some time in coming



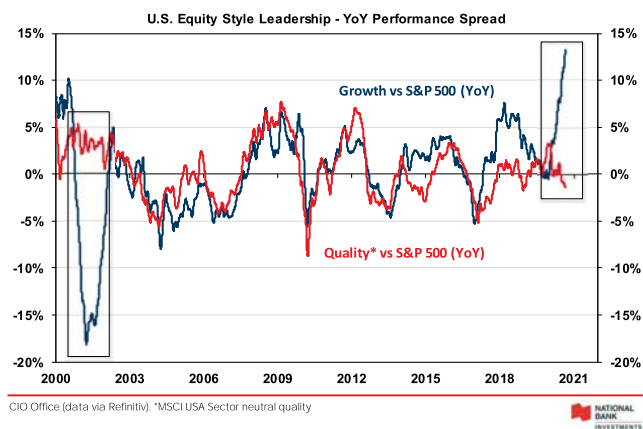
In other words, for the value style to outperform, we would likely need an economic recovery of such strength that it would first push inflation expectations above target, and subsequently lead markets to expect rate hikes. On a multi-year horizon, this is far from impossible – especially if a highly effective vaccine allows us to bury COVID-19 for good – but that is not what our base case scenario calls for in the coming months. At the same time, this logic implies that it will be difficult for the growth style to dominate with such ease without interest rates falling further, which we don't expect either. So then, how to position oneself in such a unique context?

In our view, the answer is to ensure a well-diversified portfolio in terms of factors during this period. Chasing high-growth stocks (mainly in the Technology sector) doesn't make much sense at current levels, but nor does going "all-in" on value.

Practically speaking, we like the quality factor in the United States. Historically, it has closely tracked the performance of growth stocks, while avoiding the sharp correction that occurred in the early 2000s. More recently, a large gap has emerged between these two factors, and a possible rotation of style should cost significantly more for high-growth companies that do not meet fundamental quality standards, essential in the current environment (Chart 19).

For a position linked to the value factor but with more attractive properties, we like the S&P 500 equally weighted index (EW), which will undeniably benefit from an eventual widespread improvement in the economic environment that would shift investors' appetites from the few large companies dominating the U.S. stock market to those still trading at a discount. The EW S&P 500 also offers better sector diversification than value indices, which partly explains why it has generally outperformed the latter over the last 20 years (the EW has outperformed the value factor year-over-year 72% of the time and by an average of 3%, Chart 20).

19 Quality: a prudent alternative to growth



20 Equal weight: a better-performing alternative to value

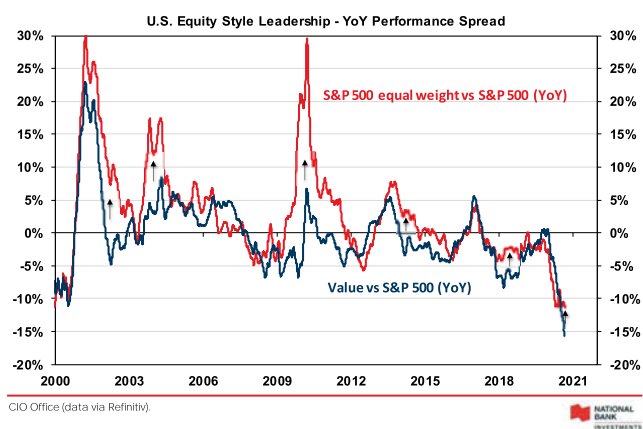


Table 3 Base Case Scenario

Scenario (prob.%)	Key elements and investment implications
Base case (60%)	<ul style="list-style-type: none"> The global economy emerges out of a severe but brief recession. Business activity rebounds sharply from depressed levels, although the rise of coronavirus in some parts of the world leads to greater dispersion in economic data across time and regions.
	<ul style="list-style-type: none"> Advances in medical research, compliance with best sanitary practices by most people, and the disproportionate economic cost associated with total lockdowns incline governments to adopt a more targeted approach to fighting the pandemic.
	<ul style="list-style-type: none"> Despite political wrangling in Washington, fiscal authorities extend the bulk of their emergency measures, allowing the vast majority of businesses and workers to weather the storm. In parallel, central bank interventions maintain the flow of credit to governments, businesses and households.
	<ul style="list-style-type: none"> The approach of U.S. elections in November and weakened social cohesion adds to the climate of anxiety in financial markets. Uncertainty over tax policy and global trade rises. <p>→ Bond yields remain stable while equities pursue their volatile recovery, albeit at a slower pace. Leadership remains in high-quality, low-beta, and U.S. equities.</p>
Bullish (20%)	<ul style="list-style-type: none"> Fiscal and monetary accommodation is not only maintained but increased, allowing a stronger than expected rebound in economic activity and generating a sharp increase in investors' risk appetite.
	<ul style="list-style-type: none"> Unprecedented research efforts led by the global scientific and medical community bear fruit: COVID-19 vaccines are rapidly manufactured and ready for distribution by year's end. <p>→ Bond yields rise modestly while equities surge higher. Leadership shifts to small caps, cyclical, and emerging market equities.</p>
Bearish (20%)	<ul style="list-style-type: none"> Persistently rising COVID-19 infections and inadequate fiscal responses damage consumer confidence and hinder the recovery. This toxic climate heightens social and geopolitical tensions in the run-up to the presidential election.
	<ul style="list-style-type: none"> Central banks redouble their efforts, but these prove insufficient in preventing a series of defaults on corporate debt, while upward pressure on the USD further jeopardizes emerging economies. <p>→ Bond yields fall while equities suffer a 10% to 15% correction. Leadership shifts to government and high-grade bonds. Defensive stocks outperform.</p>

CIO Office. Last updated: July 14, 2020 (updated quarterly). *Subjective probabilities based on current market conditions and subject to change without notice.

Table 4 Global Asset Allocation - Model Portfolio Weights (in CAD)

	Benchmark		Model Portfolio				Comments
	Total	Asset Class	Total		Asset Class		
			Allocation	Active Weight	Allocation	Active Weight	
Asset Classes							
Cash	0%	-	0.0%	0.0%	-	-	Early in a new economic cycle, the outlook for equities compares favourably to bond markets, which are showing yields close to an all-time low. Alternatives allow for better control of the total risk of the portfolio and offers protection against a potential recovery in inflation. Overall, this positioning is slightly pro-risk.
Fixed Income	40%	-	32.0%	-8.0%	-	-	
Equities	60%	-	61.0%	1.0%	-	-	
Alternatives	0%	-	7.0%	7.0%	-	-	
Fixed Income							
Government	28%	73%	17.5%	-10.5%	55%	-18.3%	Highly accommodative monetary conditions and a gradual recovery in economic activity should lead corporate bonds to outperform government securities. For risk control purposes, we are sticking to investment grade credit. Treasury yields should remain close to current levels, with inflation expectations exerting only modest upward pressure on interest rates over the cyclical horizon.
Investment Grade	12%	27%	14.5%	2.5%	45%	18.3%	
High Yield	0%	0%	0.0%	0.0%	0%	0.0%	
Duration	8.4 yrs	-	8.0 yrs	-0.4 yrs	-	-	
Equities							
Canada	21%	35%	20.0%	-1.0%	33%	-2.2%	Geographical mix in line with the recommendations of our quantitative trend model. We expect emerging markets to be the major beneficiaries of the weakening U.S. dollar environment, while U.S. equities should benefit from a sector allocation with a growth bias. To diversify against a potential style rotation, we favour the quality style and the equal weight index in the U.S.
United States	21%	35%	22.5%	1.5%	37%	1.9%	
EAFE	12%	20%	11.0%	-1.0%	18%	-2.0%	
Emerging markets	6%	10%	7.5%	1.5%	12%	2.3%	
Alternatives							
Inflation Protection	0%	0%	2.0%	2.0%	29%	28.6%	The macroeconomic environment remains very favourable to gold, with real interest rates likely to trend lower and the U.S. dollar to depreciate. Accordingly, TIPS should outperform their nominal counterparts, in addition to providing more direct inflation protection and little volatility. This asset mix offers low correlation with traditional assets.
Gold	0%	0%	5.0%	5.0%	71%	71.4%	
Non- Traditional FI	0%	0%	0.0%	0.0%	0%	0.0%	
Uncorrelated Strategies	0%	0%	0.0%	0.0%	0%	0.0%	
Foreign Exchange							
Canadian Dollar	61%	-	54.0%	-7.0%	-	-	We do not have a specific view on the Canadian dollar. Our overall portfolio strategy places us overweight in U.S. dollars versus our benchmark, mainly due to our gold position. We maintain this positioning solely because gold in Canadian dollars offers more attractive historical properties from a portfolio construction standpoint.
U.S. Dollar	21%	-	27.5%	6.5%	-	-	
Euro	5%	-	4.2%	-0.4%	-	-	
Japanese Yen	3%	-	2.8%	-0.3%	-	-	
British Pound	2%	-	1.5%	-0.1%	-	-	
Others	9%	-	10.0%	1.3%	-	-	

CIO Office. The fixed income benchmark is 100% FTSE Canada Universe. There are no alternative assets in the benchmark as their inclusion is conditional on improving the risk/return properties of traditional assets (60/40). The amplitude of the color bars under the "Active Weight" columns are proportional to the maximum deviations of the portfolio (+/- 10% for stocks and bonds, +10% in cash, +20% in alternative assets).

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General

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