

PORTFOLIO COMMENTARY

January 2025



Markets Spotlight

Canadian Equities (S&P/TSX)	3.3%
U.S. Equities (S&P 500)	2.7%
Global Equities (S&P Global BMI)	3.1%
Canadian Bonds (S&P Can. Agg. Bond)	1.2%
U.S. Dollar (USD/CAD)	92.0%
Gold (USD/oz)	0.0%
Crude Oil (WTI USD/barrel)	0.0%

*All data is for the reported month and in local currency.
Data sourced from S&P Dow Jones Indices.*

Market Pulse

The International Monetary Fund has lifted its 2025 global growth forecast to 3.3%, mainly on stronger US growth at 2.7%, despite downgrades for others like the euro area at 1%. Slowing inflation—from 5.7% last year to 4.2% in 2025 and 3.5% in 2026—should allow further monetary easing. China’s outlook edged up to 4.6% on fiscal support, though the IMF warns uncertainties remain, with potential US policy changes on trade, taxes, and immigration posing near-term boosts but longer-term risks.

Canada’s economy showed resilience at the end of 2024, with GDP rebounding 0.2% in December after a sharp November contraction, bringing Q4 growth to an estimated 1.8% annualized pace. The Bank of Canada’s aggressive rate-cutting cycle—six consecutive reductions since June—has started to bolster retail, housing, and construction activity. However, uncertainty looms as the Trump administration threatens 25% tariffs on Canadian imports, a move that could stall momentum and push inflation higher while dampening growth. In the U.S., the economy grew at an annualized 2.3% in Q4 2024, driven by resilient consumer spending despite headwinds from a Boeing strike and weak inventory investment. Consumer spending rose 4.2%, the strongest acceleration in nearly a year, bolstered by robust vehicle sales.

China faces its longest stretch of deflation since the 1960s, with 2024 marking a second year of price drops and forecasters expecting the downturn through 2025. A housing crisis that erased trillions in wealth has curbed spending, while US trade tensions and limited stimulus worsen the slump. Despite surging exports and a late-year retail boost that likely hit 5% growth in 2024, industrial output still outpaces weak consumer demand. Economists warn entrenched deflation will erode profits unless China adopts bolder policies to reignite demand.

In a final act under President Biden, the US imposed sanctions disrupting Russia’s oil exports and war funding, targeting 160 tankers, energy producers, trading firms, insurers, and a Chinese oil terminal. India, a big buyer of Russian crude, will ban these tankers in March. The measures aim to dismantle Russia’s “shadow fleet” by blocking violators from the dollar system and mandating US oil-service providers exit Russian projects by late February.

The European Union and Mexico have finalized a revamped free-trade deal intended to strengthen supply chains and boost bilateral trade in areas such as critical raw materials, agri-food, financial services, and telecommunications, even as both parties face tariff threats from the US. Mexico hopes the agreement will diversify its trade portfolio ahead of a scheduled 2026 review of its USMCA accord with the US, while the EU is stepping up trade-defense measures after being blindsided by Trump’s steel and aluminum tariffs in 2017. Both parties now aim to protect their economies and show unity in the face of Washington’s potential protectionist policies.

The Federal Reserve has withdrawn from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), citing an expansion of the group’s climate-focused mandate beyond the Fed’s statutory responsibilities. Critics, including a former Treasury official, argue the move is politically motivated and overlooks climate-related economic risks. The decision follows Republican pressure on regulators over climate considerations and precedes the Federal Deposit Insurance Corp. similarly exiting the NGFS.

*All data is for the reported month and in local currency.
Data sourced from FACTSET and Bloomberg L.P..*

The Ups & Downs

- Nutrien LTD (NTR) climbed 14.1% in the month of January. Shares rose on the recent strength in potash prices due to supply related disruptions. The company plans to report its 4th quarter earnings on Feb 19th.
- Shares of Abbott Laboratories (ABT) went up 12.3% in the month. The company saw strong growth for its medical devices business and beat bottom line earnings estimates for the quarter.
- TransAlta (TA) shares pulled back 19.5% in January after running over 26% in the month prior. Price volatility was spurred by the energy market's reaction to DeepSeek's AI announcement. Energy companies were hit by the news that AI-related growth could be less than expected.
- Shares of Apple Inc (AAPL) declined 6.7% in the month, down from all time highs in December. Even after reporting a strong quarter, some investors are voicing concerns about slowing future growth and tariff implications.

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

Portfolio Returns

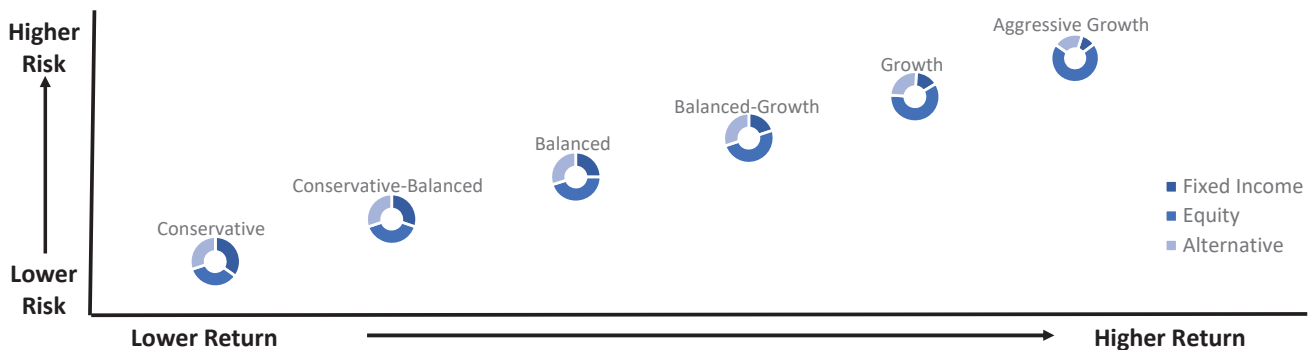
January 31st, 2025

Name	1-Mo	3-Mo	6-Mo	Annualized			YTD 2025	2024	2023	2022	2021
				1-Yr	3-Yr	5-Yr					
CPF Fixed Income Model	0.6%	1.1%	2.0%	5.0%	1.3%	0.6%	0.6%	3.8%	6.5%	-8.3%	-1.8%
Canadian Universe Bond Index	-0.8%	0.0%	4.4%	4.0%	-0.7%	0.7%	4.0%	6.6%	-11.7%	-2.8%	8.6%
CPF Equity Model (GARP)	4.2%	7.8%	10.9%	25.9%	7.0%	6.7%	4.2%	21.7%	10.5%	-19.6%	7.6%
MSCI World Index (CAD)	4.3%	9.2%	12.7%	30.4%	14.2%	13.9%	4.3%	28.1%	20.3%	-11.6%	21.9%
CPF Equity Model (Income)	3.3%	5.2%	8.6%	18.1%	8.1%	8.5%	3.3%	16.2%	9.9%	-5.4%	20.0%
MSCI World Index (CAD)	4.3%	9.2%	12.7%	30.4%	14.2%	13.9%	4.3%	28.1%	20.3%	-11.6%	21.9%
CPF Medium Stock Model	1.8%	6.2%	12.2%	20.4%	9.0%	13.0%	1.8%	21.3%	14.6%	-9.1%	33.8%
40% S&P/TSX Comp. + 60% S&P500	3.1%	6.2%	10.3%	23.6%	9.4%	11.9%	3.1%	21.1%	16.8%	-12.8%	26.7%
CPF Large Stock Model	2.9%	8.5%	14.0%	23.9%	9.5%	-	2.9%	21.6%	12.1%	-8.3%	-
40% S&P/TSX Comp. + 60% S&P500	3.1%	6.2%	10.3%	23.6%	9.4%	11.9%	3.1%	21.1%	16.8%	-12.8%	26.7%
CPF Alternative Model	0.6%	1.4%	2.7%	7.7%	6.3%	7.0%	0.6%	7.6%	3.7%	7.1%	6.9%
Absolute Return of 5% Per Year	0.4%	1.3%	2.5%	5.0%	5.0%	5.0%	0.4%	5.0%	5.0%	5.0%	5.0%

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

Name	1-Mo	3-Mo	6-Mo	Annualized			YTD 2025	2024	2023	2022	2021
				1-Yr	3-Yr	5-Yr					
CPF Balanced-Growth (Regular)	1.7%	4.1%	7.1%	14.5%	6.5%	7.7%	1.7%	13.7%	8.8%	-6.0%	13.0%
CPF Balanced-Growth (Income)	1.5%	3.5%	6.6%	13.1%	6.5%	8.0%	1.5%	12.8%	8.9%	-3.7%	16.1%
CPF Balanced-Growth (SRI-ESG)	2.0%	3.2%	5.6%	13.3%	10.7%	12.0%	2.0%	12.1%	25.1%	-9.2%	13.9%

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



"Napoleon's definition of a military genius was, "The man who can do the average thing when all those around him are going crazy." It's the same in investing. Most financial advice is about today. What should you do right now, and what stocks will look like good buys today? But most of the time today is not that important. It will not matter nearly as much as what you do during the small number of days - likely 1% of the time or less - when everyone else around you is going crazy."

The Psychology of Money, by Morgan Housel pg. 76

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