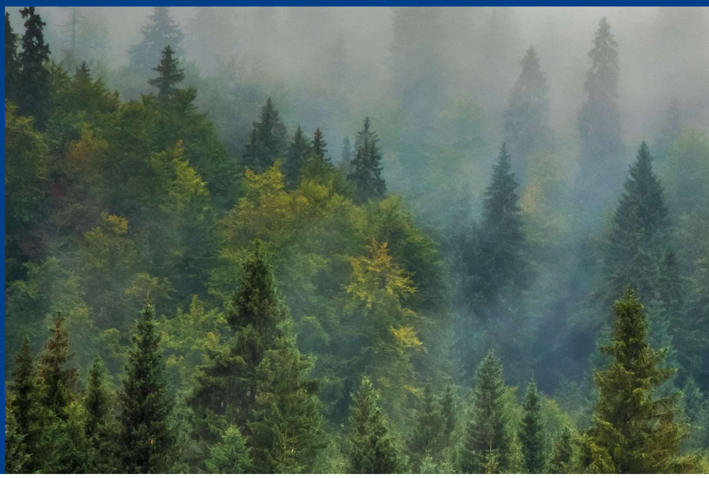
PORTFOLIO COMMENTARY

February 2025

CROSSPOINT FINANCIAL

iA Private Wealth™



Markets Spotlight

Canadian Equities (S&P/TSX)	-0.6%
U.S. Equities (S&P 500)	-1.4%
Global Equities (S&P Global BMI)	-1.0%
Canadian Bonds (S&P Can. Agg. Bond)	1.0%
U.S. Dollar (USD/CAD)	-1.7%
Gold (USD/oz)	2.0%
Crude Oil (WTI USD/barrel)	-6.2%

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

Market Pulse

Ontarians gave incumbent premier Doug Ford another mandate with the hopes that he would be able to protect jobs amidst the cross-border economic uncertainty surrounding trade. As Canada's manufacturing hub, Ontario plays a pivotal role in Canada's trade and could be the most affected by looming tariffs. Ford will look to keep Ontario's economy competitive and attractive for investors and those looking to create jobs and businesses.

As the threat of tariffs on Canadian and Mexican goods comes closer, investors appear to be rotating into more stable, cash-flowing businesses, and out of the more speculative high-growth names. The U.S. Consumer Staples index rose 4.63% during February, while the NASDAQ fell 3.10% over the same time frame. Executives often elect to cut spending in speculative segments as they anticipate higher costs, and investors are allocating their capital accordingly.

After two years of extreme out-performance in the US equity markets, European equities are finally starting to shine through as an out-performer. While these rising prices are not being driven by higher earnings, but rather higher valuations, it does show an increase in sentiment regarding European equities. Economic surprises and investor sentiment is driving performance right now but earnings often tend to lag equity prices so it will take time to fully realize the durability of the growth prospects. It's important to note that while there has been some relative strength it follows an extended period of pessimism surrounding European equities so it only warrants a neutral stance against US equities.

In Germany, the recent election raised questions as to whether the country will have an entire economic revamp, specifically regarding a shift in its fiscal restrictions and policies. Currently in Germany, the constitution states that budget deficits must be capped at 0.35% of GDP, but the newly elected administration may look to ease this debt constraint. It will take the support of other parties to re-write this portion of the constitution but allowing for a larger deficit could spur growth as it would provide stimulus to the economy. This could have a significant impact on the earnings growth of European equities.

Japan is seeing the most robust growth it has seen in years as Real GDP grew at an annualized rate of 2.8% outpacing estimates and driven by strong labour demand, which remains greater than labour supply. As a country long known for being a low-rate environment, seeing the Bank of Japan maintain its hawkish stance, raising rates 25 bps in January, indicates strong wage growth. For the first time in decades, the country has been able to sustain price pressures as wage growth is at its highest levels since the 1990s.

The Bank of Canada is set to meet on March 12th and it is becoming increasingly likely that they will cut rates by 25 bps upon the announcement of 25% tariffs levied on Canada and Mexico. Before the announcement the implied probability was about 50% and rose to 95% post-announcement. Of course, as Canada and the U.S. continue to negotiate, a change in trade policy would affect rate decisions, however, as it stands, 75bps of cuts is the consensus. Canada's central bank will need to assess whether economic weakness will offset higher import costs, potential weakness in the Canadian dollar and supply chain disruptions. Governor Macklem doesn't anticipate the response to mirror the COVID-19 response.

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

The Ups & Downs

•Berkshire Hathaway Inc. (BRK.B) climbed 9.54% in the month of January. The stock surprised to the upside after Buffet beat earnings estimates by over $2 billion vs consensus estimates for the quarter.

• Shares of Johnson & Johnson (JNJ) went up 9.07% in the month. The stock continues it's strong recovery after the post-US election healthcare sector sell-off. Despite uncertainty around government policy, the health care sector has been a top performer so far in 2025.

• Shares of Alphabet Inc. (GOOG) sold off in February, similar to it's peers in the tech-sector. The stock dropped 15.80% in the month, returning to early December 2024 trading levels.

• CGI Inc. (GIB.A) declined 12.36%. The company completed its acquisition of UK-based BJSS, expanding its IT consulting presence in Europe. Recent volatility is due to investor concerns about economic growth and whether elevated AI spending will continue.

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Data sourced from FACTSET and SIAcharts.

Portfolio Returns

February 28th, 2025

Name	1-Mo	3-Mo	6-Mo	Annualized 1-Yr	Annualized 3-Yr	Annualized 5-Yr	YTD 2025	2024	2023	2022	2021
CPF Fixed Income Model	1.2%	1.4%	1.9%	6.6%	2.0%	0.8%	1.5%	3.8%	6.5%	-8.3%	-1.8%
Canadian Universe Bond Index	1.9%	2.6%	3.7%	8.6%	1.5%	0.5%	2.3%	4.0%	6.6%	-11.7%	-2.8%
CPF Equity Model (GARP)	-0.2%	1.9%	10.5%	20.1%	7.8%	8.1%	3.3%	21.7%	10.5%	-19.6%	7.6%
MSCI World Index (CAD)	-0.1%	3.7%	12.6%	23.4%	15.0%	15.2%	3.5%	28.1%	20.3%	-11.6%	21.9%
CPF Equity Model (Income)	0.0%	2.0%	7.9%	14.8%	8.8%	10.1%	3.0%	16.2%	9.9%	-5.4%	20.0%
MSCI World Index (CAD)	-0.1%	3.7%	12.6%	23.4%	15.0%	15.2%	3.5%	28.1%	20.3%	-11.6%	21.9%
CPF Medium Stock Model	2.2%	3.6%	12.6%	20.2%	10.0%	14.1%	4.0%	21.3%	14.6%	-9.1%	33.8%
40% S&P/TSX Comp. + 60% S&P500	-1.1%	-0.6%	8.2%	18.4%	9.6%	13.3%	2.1%	21.1%	16.8%	-12.8%	26.7%
CPF Large Stock Model	1.6%	3.3%	13.9%	21.7%	10.1%	-	3.7%	21.6%	12.1%	-8.3%	-
40% S&P/TSX Comp. + 60% S&P500	-1.1%	-0.6%	8.2%	18.4%	9.6%	13.3%	2.1%	21.1%	16.8%	-12.8%	26.7%
CPF Alternative Model	0.2%	1.8%	2.8%	7.7%	5.9%	7.1%	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%	0.8%	5.0%	5.0%	5.0%	5.0%

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

CPF Portfolios

Name	1-Mo	3-Mo	6-Mo	Annualized 1-Yr	Annualized 3-Yr	Annualized 5-Yr	YTD 2025	2024	2023	2022	2021
CPF Balanced-Growth (Regular)	0.9%	2.3%	7.1%	13.6%	6.9%	8.3%	2.4%	13.7%	8.8%	-6.0%	13.0%
CPF Balanced-Growth (Income)	1.0%	2.3%	6.6%	12.7%	7.0%	8.8%	2.3%	12.8%	8.9%	-3.7%	16.1%
CPF Balanced-Growth (SRI-ESG)	0.8%	1.5%	6.2%	11.8%	10.9%	12.5%	2.5%	12.1%	25.1%	-9.2%	13.9%

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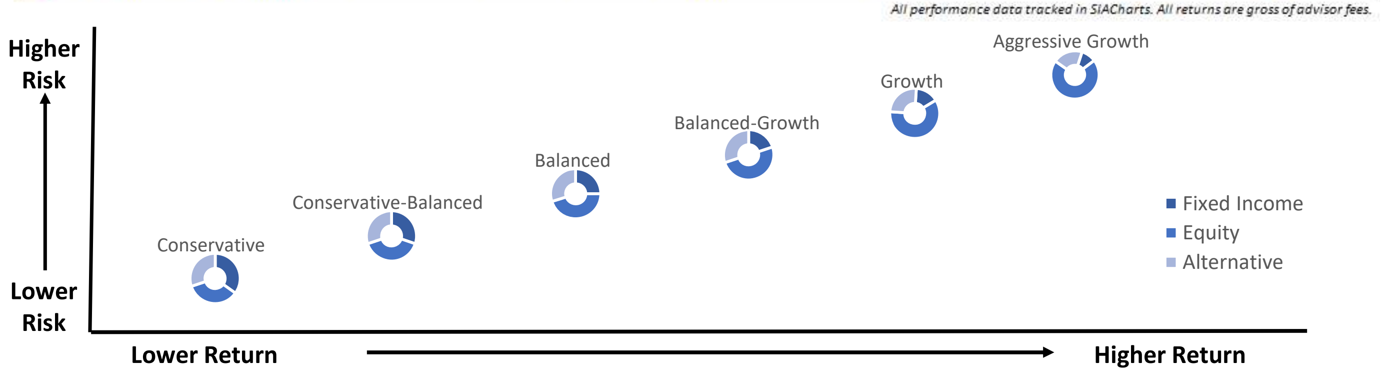

"Growth is driven by compounding, which always takes time. Destruction is driven by single points of failure, which can happen in seconds, and loss of confidence, which can happen in an instant. It's easier to create a narrative around pessimism because the story pieces tend to be fresher and more recent. Optimistic narratives require looking at a long stretch of history and developments, which people tend to forget and take more effort to piece together."

The Psychology of Money, by Morgan Housel pg. *68*

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