

PORTFOLIO COMMENTARY

August 2025



Markets Spotlight

Canadian Equities (S&P/TSX)	4.8%
U.S. Equities (S&P 500)	1.9%
Global Equities (S&P Global BMI)	4.3%
Canadian Bonds (S&P Can. Agg. Bond)	0.4%
U.S. Dollar (USD/CAD)	0.9%
Gold (USD/oz)	5.5%
Crude Oil (WTI USD/barrel)	-7.6%

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

Market Pulse

Stocks remained exceptionally strong in August, with the S&P 500, S&P/TSX, and EAFE indexes returning 1.91%, 4.79%, and 4.30%, respectively. This robust performance was largely driven by expectations of upcoming rate cuts, which generally support economic growth. Canadian markets outperformed in part due to a 15.9% surge in the basic materials sector.

Earnings growth continued to impress, as FactSet data showed that 81% of companies exceeded EPS and revenue estimates for Q2. While some concerns emerged that short-term earnings were being temporarily boosted by front-loaded purchases to offset higher expected costs, analysts are now revising Q3 and full-year calendar estimates upward. According to FactSet, six of the 11 sectors have seen estimate increases, with Communications, Information Technology, Financials, and Consumer Discretionary leading the way. These upward revisions highlight the underlying resilience of the economy.

In the U.S., unemployment rose to a four-year high of 4.3%, increasing the likelihood of rate cuts in September. However, ongoing uncertainty around tariffs and inflation may lead the Federal Reserve to adopt a cautious approach. This follows a report of job losses for the first time since the pandemic. Canada is also experiencing labor market softness, with 66,000 jobs lost in August and the unemployment rate climbing to 7.1%. While these figures may appear concerning, analysts at Morgan Stanley interpret the weak job numbers as a sign that the economy may have moved past a recession and is beginning to recover.

U.S. small-cap stocks performed exceptionally well in August, returning over 7% and outpacing large-cap counterparts by 5%. The Russell 2000, which tracks small-cap companies, is approaching its November 2021 all-time high, suggesting that small-caps may begin to catch up to larger-cap stocks. Maintaining these gains will likely depend on the anticipated rate cuts, as small-cap companies often rely on debt financing to drive growth. While a rate cut is expected, ongoing monetary easing could be a critical factor in sustaining performance.

Emerging market investments have also attracted increased interest amid expectations of rate cuts. In 2025, emerging markets have outperformed developed markets in overall returns, highlighting the importance of investor diversification. Although U.S. markets have been strong recently, it is uncommon for a single geographic region to consistently outperform over the long term. Geographic diversification should be considered as an essential component of portfolio construction, alongside asset and sector diversification.

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

The Ups & Downs

CRH plc (CRH) gained 17.63% as the broad materials sector showed extreme strength gaining 15.9%.

Shares of Apple Inc. (AAPL) rose 11.19% as the company reported year-over-year double digit increases in earnings and revenue.

Shares of Deere & Co. (DE) fell 9.43% as tariff pressure, competition and weak North American demand have hurt the stock.

Metro Inc. (MRU.TO) dropped 7.09% as the company missed EPS and revenue expectation, weighing on investor confidence.

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

Portfolio Returns August 2025

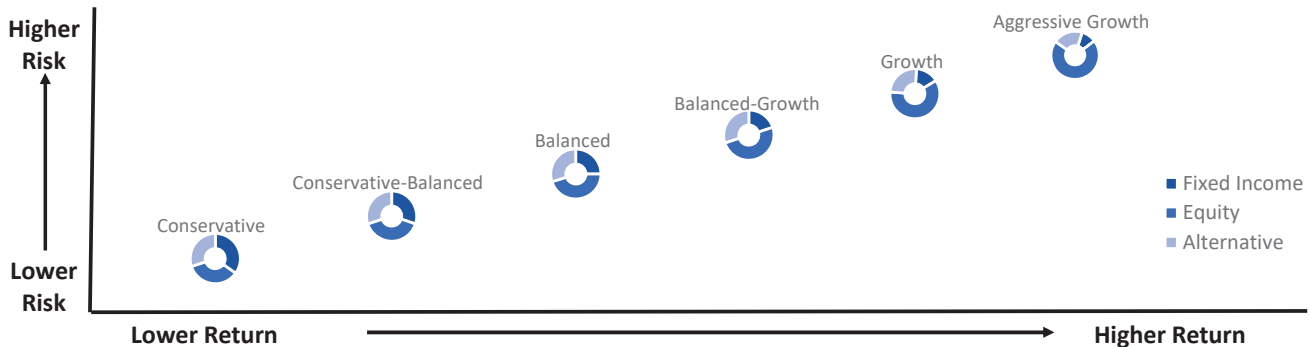
August 29th, 2025

Name	1-Mo	3-Mo	6-Mo	Annualized			YTD 2025	2024	2023	2022	2021
				1-Yr	3-Yr	5-Yr					
CPF Fixed Income Model	0.8%	1.0%	-0.3%	2.3%	3.8%	0.6%	1.6%	3.8%	6.5%	-8.3%	-1.8%
Canadian Universe Bond Index	0.5%	-0.3%	-1.1%	2.9%	3.8%	-0.5%	1.1%	4.0%	6.6%	-11.7%	-2.8%
CPF Equity Model (GARP)	2.6%	7.5%	6.4%	16.7%	14.2%	9.0%	10.0%	21.7%	10.5%	-19.6%	7.6%
MSCI World Index (CAD)	1.8%	8.3%	4.7%	17.2%	19.8%	13.9%	8.4%	27.3%	20.3%	-11.6%	21.9%
CPF Equity Model (Income)	3.0%	4.6%	1.5%	8.8%	11.6%	9.6%	4.6%	16.2%	9.9%	-5.4%	20.0%
MSCI World Index (CAD)	1.8%	8.3%	4.7%	17.2%	19.8%	13.9%	8.4%	27.3%	20.3%	-11.6%	21.9%
CPF Medium Stock Model	4.4%	6.7%	5.5%	17.3%	14.8%	15.5%	9.7%	21.3%	14.6%	-9.1%	33.8%
40% S&P/TSX Comp. + 60% S&P500	2.8%	8.6%	9.3%	17.1%	16.1%	13.1%	11.6%	21.1%	16.8%	-12.8%	26.7%
CPF Large Stock Model	1.9%	4.6%	4.0%	17.2%	13.8%	-	7.8%	21.6%	12.1%	-8.3%	-
40% S&P/TSX Comp. + 60% S&P500	2.8%	8.6%	9.3%	17.1%	16.1%	-	11.6%	21.1%	16.8%	-12.8%	-
CPF Alternative Model	0.5%	1.4%	2.3%	5.8%	5.5%	6.4%	3.5%	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%	3.3%	5.0%	5.0%	5.0%	5.0%

All performance data tracked in SICharts. 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)	2.2%	4.3%	3.7%	10.8%	9.7%	8.7%	6.4%	13.7%	8.8%	-6.0%	13.0%
CPF Balanced-Growth (Income)	2.3%	3.7%	2.8%	9.4%	9.3%	8.8%	5.4%	12.8%	8.9%	-3.7%	16.1%
CPF Balanced-Growth (SRI-ESG)	1.5%	4.0%	4.7%	11.1%	14.8%	11.2%	7.6%	12.1%	25.1%	-9.2%	13.9%

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



"An underpinning of psychology is that people are poor forecasters of their future selves. Imagining a goal is easy and fun. Imagining a goal in the context of realistic life stresses that grow with competitive pursuits is something entirely different."

The Psychology of Money, by Morgan Housel pg. 150

Get in Touch with Us

www.CrossPointFinancial.ca

info@crosspointfinancial.ca

2650 Queensview Drive, Suite 110 Ottawa, ON K2B 8H6

613-228-7777

Brent Vandermeer CIM®, FCSI®

Senior Portfolio Manager

CrossPoint Financial | iA Private Wealth Inc.

Gary M. Renaud CFP®, CIM®, FCSI®, TEP

Portfolio Manager

CrossPoint Financial | iA Private Wealth Inc.

Erin Gendron CFP®, CIM®, FMA

Portfolio Manager & Financial Planner

CrossPoint Financial | iA Private Wealth Inc.

Zarian Khan, CIM®

Associate Investment Advisor

CrossPoint Financial | iA Private Wealth Inc.

Lindsay Thom

Head of Operations and Client Experience

Associate Investment Advisor

CrossPoint Financial | iA Private Wealth Inc.

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