

RENAISSANCE OPTIMAL PORTFOLIOS - EVOLVING TO REFLECT TOMORROW'S INVESTMENT REALITIES

[Video link - EN](#)

[Part of a glass building with a softly-clouded blue sky in the background. Text is overlaid on top: RENAISSANCE OPTIMAL PORTFOLIOS - EVOLVING TO REFLECT TOMORROW'S INVESTMENT REALITIES]

Michael Sager: The past year has presented many new challenges for investors and investment portfolios.

[A man sitting outside in an upscale patio area, looking at a tablet. A woman sitting in living room, looking at numbers on a calculator.]

As we look forward to 2021 and beyond, investment realities will continue to evolve, and to present new challenges.

[A man and his teenage daughter sitting at a kitchen table, having a discussion with a laptop in front of them. A man staring pensively at a laptop. A senior couple sitting at a dining room table, going over figures.]

With these challenges comes opportunity.

[A young woman sitting at a kitchen table, looking pensively off into the distance. A woman holding a notepad and pen, looking confidently at a desktop computer screen.]

Providing investment solutions that evolve to take advantage of these new opportunities allows us to continue to help our clients meet their long-term investment objectives.

[Michael Sager, Vice President, Multi-Asset and Currency Management, CIBC Asset Management]

Within this context, we are very excited to announce a number of enhancements to one of our flagship products: the Renaissance Optimal Portfolios.

[Renaissance Optimal Suite. Four donut charts appear onscreen, each one divided into about ten values, and each chart having a different distribution of values compared to the others. The charts are titled: Renaissance Optimal Conservative Income Portfolio, Renaissance Optimal Growth & Income Portfolio, Renaissance Optimal Global Equity Portfolio, and Renaissance Optimal Income Portfolio.]

Over a number of years, these portfolios have become an investment cornerstone for many clients by delivering against their three pillars: income generation; volatility management; and long-term capital growth.

[RENAISSANCE OPTIMAL PORTFOLIOS – Three pillars. ‘Income generation’ next to an icon of a stack of dollar bills. ‘Volatility management’ next to an icon of an umbrella. ‘Capital growth’ next to an icon of an increasing bar chart.]

The enhancements we have made to the Optimal portfolios ensure they are well-placed to continue to help our clients succeed in the face of tomorrow’s investment realities and opportunities.

[How are the Renaissance Optimal Portfolios evolving?]

Michael: We are introducing a number of enhancements to maximize the opportunity for the Optimal portfolios to continue to deliver performance consistent with our clients’ long-term objectives.

We have formalized strategic oversight of the portfolios, under the leadership of our Chief Investment Strategist, Luc de la Durantaye.

[ENHANCEMENTS – Strategic oversight. An organization chart of CIBC Asset Management, with a focus on Multi-Asset and Currency Management (overseen by Luc de la Durantaye) and Structured Investments & Trading. Notable departments shown in the chart include: Quantitative Research (with four employees), Regional Economic Research (with five employees), Multi-Asset Strategies (with five employees) and Trading (with seven employees).]

In this role, Luc will be supported by the CIBC Asset Management Multi-Asset Committee, whose members are drawn from our Multi-Asset & Currency Management, Investment Manager Research, and Product Solutioning & Management teams. Together with Luc, they each bring a breadth of perspective that will ensure the strategic asset allocation of the Optimal portfolios will remain on point for the long term.

We have increased investment breadth & diversification within the portfolios. This results from two changes: First, to strategic asset allocation, with exposure to Canadian equities and infrastructure reduced in favour of allocations to U.S. and international equities.

[ENHANCEMENTS – Strategic asset allocation. A chart shows the breakdown of the Renaissance Optimal Portfolios by asset class. Highlighted asset classes include Canadian Equities and Infrastructure (which have seen their percentages decrease) and U.S. Equity and Global Equity (which have seen their percentages increase).]

And second, we’ve improved manager fulfillment, with the inclusion of world class managers such as Walter Scott and American Century Investments, combined with strong CIBC capabilities here in Canada and from our Private Wealth Management team in the U.S.

[ENHANCEMENTS – Manager fulfillment. The logos of various fund managers. The logos of Walter Scott and American Century Investment are emphasized by momentarily growing in size. Other company logos include Ares, Brandywine Global, CIBC Asset Management, CIBC, Maple-Brown Abbot and Wellington Management.]

We have added some scope for tactical asset allocation, to ensure the portfolios are enabled to benefit from all relevant information and investment insights, all the time.

[ENHANCEMENTS – Tactical tilting]

And I will act as the designated point person, to ensure that advisors have an identified contact who will provide support around the portfolios in the future.

[Will the core focus of the Renaissance Optimal Portfolios change?]

Michael: The essence of the Optimal portfolios will not be changing. This includes their focus on attractive income generation, volatility management, and capital growth.

A focus on the long term, and investing on behalf of our clients based upon a rigorous, thoughtful strategic process also stays the same.

And the Optimal portfolios will continue to provide solutions tailored to a range of investor profiles, from the more conservative investor with a focus on income and low volatility, to those investors who place more emphasis on capital growth.

[Investor profiles. Four boxes appear in the middle of the screen, containing the words 'Income', 'Momentum', 'Value' and 'Growth'. Each box moves towards a different corner of the screen and a rectangle appears in between them. A dot appears in the middle of the rectangle. The dot moves towards the box that says 'Income', then towards the box that says 'Growth'.]

[What are the long-term strategic objectives of the enhanced portfolios?]

Francis: Rigorous strategic asset allocation is at the core of everything we do. Identifying and understanding long-term risks and opportunities, and how these opportunities fit together, ensures that the Optimal portfolios continually encompass our best long-term thinking.

[Francis Thivierge, Senior Portfolio Manager, Multi-Asset and Currency Management
CIBC Asset Management]

[A rectangle titled 'Inputs – Long-term economic fundamentals', below which appear rectangles labelled 'Trend GDP Growth', 'Trend inflation' and 'Monetary policy'. An arrow points to the right, towards a rectangle titled 'Intermediate output - capital market assumptions', below which appear rectangles labelled 'Equities' and 'Bonds'. An arrow points to the right, towards a rectangle titled 'Final output - expected asset class returns & risk', below which appears a rectangle labelled 'Expected returns'.]

This means maximizing the extent of diversification within portfolios, ensuring we have the best managers in each asset class, and ensuring that strategic allocations are consistent with investor profiles.

[Asset allocation process. 1 - Investor objectives. 2 - Asset class long-term expected return & risk. 3 - Optimization. 4 - Scenario analysis. 5 - Alpha integration through manager fulfillment. 6 - Asset allocation proposal. 7 - Regular monitoring & review by Multi-Asset Committee.]

Together, these strategic components ensure the Optimal portfolios are set up to maximize performance against long-term objectives.

[How will portfolio managers capitalize on tactical opportunities?]

Francis: Within our enhancements to the Optimal Portfolios, we are introducing some leeway for tactical tilting.

At CIBC Asset Management, we have a long track record of tactical asset allocation, on behalf of both institutional and High Net Worth investors.

We implement tactical tilts based upon a well-established and robust investment process that integrates rigorous quantitative and qualitative insights.

Having the capability to periodically tilt from one asset class to another, or within an asset class, means the Optimal Portfolios will always be focused on identifying and harvesting the most attractive investment opportunities for our clients, while also staying true to investor profiles and performance objectives.

[Tactical tilting: Portfolios. A donut chart broken down into about ten components of various sizes. Beside the chart is a legend showing the percentages of the various components, which range from 2% to 43%. The sizes of the different donut chart components all change at the same time. Each time the sizes change, the percentage breakdown changes correspondingly. Tactical tilting – Asset class. We zoom in to one of the components of the donut chart, which is then broken down into six pieces of various sizes. The sizes of all of these components change twice. A rotating circular band separated into different pieces appears outside the donut chart. The rotation stops, and one of the pieces of the band replaces one of the pieces of the donut chart. This happens two more times.]

Michael: The Renaissance Optimal Portfolios are prepared for tomorrow's investment realities and opportunities. We have enhanced the suite to maintain a clear long-term strategic focus supported by best-in-class investment managers. The portfolios will also encompass greater diversification across and within asset classes.

With this evolution, the Renaissance Optimal Portfolios are well positioned to continue to help our clients successfully achieve their long-term investment objectives in a challenging and constantly changing market environment.

[An investment advisor and his client looking at and discussing information on a tablet. A young couple with a small child meeting with an investment advisor. An investment advisor and her client looking at a laptop.]

[The views expressed in this video are the personal views of Michael Sager and Francis Thivierge and should not be taken as the views of CIBC Asset Management Inc. This video is provided for general informational purposes only and does not constitute financial, investment, tax, legal or accounting advice nor does it constitute an offer or solicitation to buy or sell any securities referred to. Individual circumstances and current events are critical to sound investment planning; anyone wishing to act on this video should consult with his or her advisor. All opinions and estimates expressed in this video are as of the date of publication unless otherwise indicated, and are subject to change.

®The CIBC Asset Management and the CIBC logo are a registered trademarks of Canadian Imperial Bank of Commerce (CIBC), used under license.

The material and/or its contents may not be reproduced without the express written consent of CIBC Asset Management Inc.

Certain information that we have provided to you may constitute “forward-looking” statements. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or achievements to be materially different than the results, performance or achievements expressed or implied in the forward-looking statements.]