

CIBC US All-Cap Core Equity Strategy – Q226 Commentary

July 2026

Sandy Sanders, CFA, Managing Director, Senior Portfolio Manager, CIBC US Private Wealth Management

Greg Zdzienicki, CIM, Client Portfolio Manager, Equities, CIBC Global Asset Management

US equity market performance

The second quarter of 2026 was marked by an exceptionally concentrated rally within US equity markets, driven almost entirely by the semiconductor sector. The primary catalyst was the ongoing build-out of AI infrastructure, which led to acute shortages in DRAM and NAND memory (the two foundational memory technologies that power modern computing). This supply crunch enabled memory companies such as Micron, SanDisk, and Samsung—previously commodity players struggling for profitability—to dramatically raise prices, resulting in substantial margin and earnings expansion. Micron, for example, saw its stock surge by 113% in just six weeks.

This rally was among the most concentrated seen in decades, presenting a challenging environment for active managers who were not heavily invested in memory stocks. The technology sector's dominance meant that funds underweight in these names generally underperformed. Outside technology, the broader market remained on firmer footing, supported by positive macroeconomic indicators: full employment, healthy consumer balance sheets, manageable inflation, and robust ISM numbers. Banks continued to pass US Federal Reserve stress tests, and there were no signs of an imminent US recession. The quarter also saw a calming effect from a ceasefire agreement, which contributed to a more risk-on environment, especially in semiconductors.

Portfolio trades during the quarter

During Q2, several notable trades and rebalancing actions took place within the portfolio:

- Robinhood was initiated as a new position. The company's first-mover advantage in financial services, particularly among younger investors, has propelled its customer base to 28 million—surpassing Morgan Stanley and Merrill Lynch combined although account sizes are much smaller. Robinhood continues to innovate, introducing services such as IRA matching, crypto lending, and agentic AI-powered trading. Recent growth in average account sizes and geographic expansion into Canada highlight its rising appeal to larger investors. The founder's substantial ownership and the company's strong profitability and growth further reinforce its investment thesis.
- Amazon was added to, based on its undervaluation (trading at less than 70 cents on the dollar and a P/E ratio of 23x versus peers like Walmart and Costco at 40x). Amazon's wide moat, best-in-class management, and secular growth are now increasingly driven by high-margin segments—cloud and digital ads. The company's innovation in silicon and satellite technology (competing with Starlink) offers additional upside. The mix shift toward higher-margin businesses is expected to drive operating margins upward from the low teens toward 20% over the coming decade.
- The portfolio remains overweight in hyperscalers, particularly Amazon, Google (Alphabet), and Microsoft, despite their underperformance this quarter. These companies are viewed as industry powerhouses with enduring growth prospects.

Outlook

Looking ahead, the structural backdrop for US equities remains healthy. The US consumer is strong, employment is robust, inflation is manageable, and banks are well-capitalized. While the Q2 rally was unusually concentrated in semiconductors, the broader market fundamentals suggest continued resilience.

Active management may remain challenging if market leadership continues to be narrowly focused. However, undervalued leaders such as Amazon, Nvidia, and Robinhood offer compelling opportunities. The portfolio's emphasis on innovation, secular growth, and strong balance sheets positions it well for a range of market environments. No signs point to a US recession in the near term, and the risk-on sentiment, particularly in technology and financial innovation, is likely to persist. As always, careful positioning and vigilance around sector concentrations will be key to navigating the quarters ahead.



About CIBC Global Asset Management

CIBC Global Asset Management™ (CIBC GAM), the asset management subsidiary of CIBC, is one of Canada's largest asset managers. Established in 1972,¹ CIBC GAM offers a broad range of investment solutions, including mutual funds, ETFs, portfolio solutions, alternative investments, discretionary investment management services for high-net-worth individuals, and institutional portfolio management. With teams across Canada and the US, CIBC GAM serves retail, high-net-worth and institutional clients in North America and institutional clients worldwide.

Contact us anytime

To learn how CIBC Global Asset Management can help you power meaningful investment outcomes, please contact your advisor or CIBC representative. For more insights, connect with us on [LinkedIn](#) and [YouTube](#).

Explore more at cibc.com/gam.

¹ CIBC Global Asset Management (previously known as TAL Global Asset Management Inc.) was founded in 1972 as a privately-owned investment manager. CIBC took an ownership stake in 1994, eventually assuming 100% in 2001.

The views expressed in this material are the views of CIBC Global Asset Management, as of 10 July 2026 unless otherwise indicated, and are subject to change at any time. CIBC Global Asset Management does not undertake any obligation or responsibility to update such opinions.

This material is provided for general informational purposes only and does not constitute financial, investment, tax, legal or accounting advice, it should not be relied upon in that regard or be considered predictive of any future market performance, 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 material should consult with their advisor.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. To obtain a copy of the simplified prospectus, call **1.888.888-FUND (3863)**. Alternatively, you may obtain a copy from your advisor. Any information or discussion about the current characteristics of this mutual fund or how the portfolio manager is managing the mutual fund that is supplementary to information in the prospectus is not a discussion about material investment objectives or strategies, but solely a discussion of the current characteristics or manner of fulfilling the investment objectives and strategies, and is subject to change without notice. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer, nor are they guaranteed.

CIBC Securities Inc. is a wholly-owned subsidiary of CIBC and is the principal distributor of the CIBC Mutual Funds. Please read the CIBC Mutual Funds simplified prospectus before investing. To obtain a copy, call CIBC Securities Inc. at **1.800.465-FUND (3863)** or ask your advisor.

Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or other similar wording. In addition, any statements that may be made concerning future performance, strategies, or prospects and possible future actions taken by the fund, are also forward-looking statements. Forward-looking statements are not guarantees of future performance. These statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results and achievements of the fund to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market, and business conditions; fluctuations in securities prices, interest rates, and foreign currency exchange rates; changes in government regulations; and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. CIBC Global Asset Management does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise prior to the release of the next management report of fund performance.

The material and/or its contents may not be reproduced without the express written consent of CIBC Global Asset Management. Past performance may not be repeated and is not indicative of future results.

®/™ The CIBC logo and "CIBC Global Asset Management" are trademarks of CIBC, used under license. CIBC Global Asset Management is a brand name under which CIBC Asset Management Inc. operates.