

CIBC SUSTAINABLE INVESTMENT SOLUTIONS

CIBC SUSTAINABLE BALANCED GROWTH SOLUTION

Portfolio commentary as of April 2022

Market overview:

- Global growth, particularly the U.S and Canada, remains strong but is expected to gradually slow over the next year to a rate broadly in line with its long-term trend. Both the Fed & the BoC have signaled an intention to engineer slower growth via a tightening financial conditions in order to tame inflation, which, at 40-year highs, is well above rates previously expected.
- Although inflation is expected to moderate it will likely remain well above central bank target rates for the foreseeable future.
- Risks to this relatively benign economic outlook are rising. As well as central bank policy tightening, other risks include the Ukraine conflict, which along with high inflation, has compromised the strength of the Euro growth recovery, & Covid-related risks in China.

Tactical tilting:

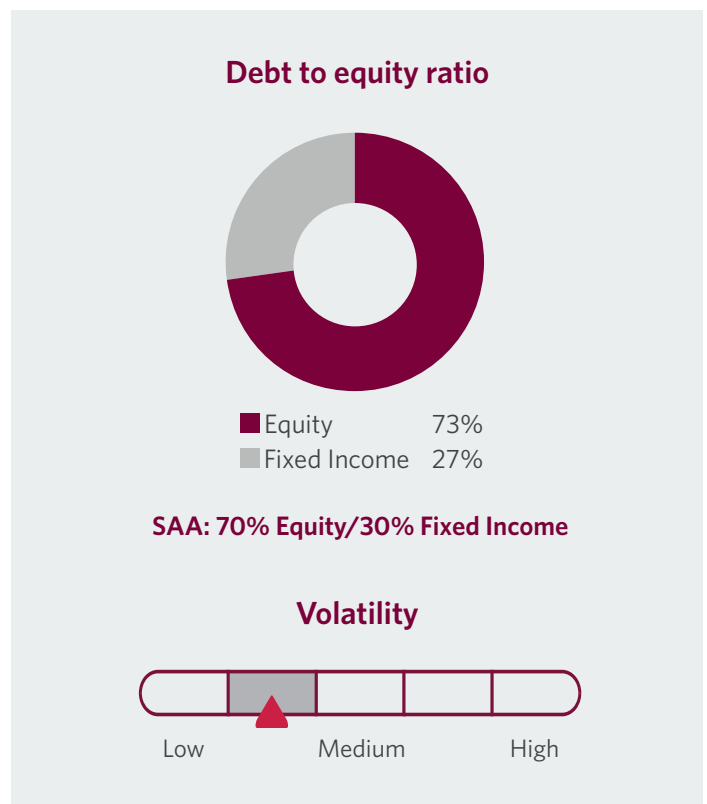
- Heightened geopolitical risks & increased uncertainty for growth & inflation have driven recent market price corrections & volatility & argue in favour of continued caution in positioning. We remain benchmark neutral across the portfolio.
- Current robust growth could provide some support to equity markets in the near term. But with valuations still relatively high in many markets & cyclical tailwinds to earnings growth likely to slow, we expect a volatile trading range over the next year.
- Elevated market & economic uncertainty also suggests a neutral position in global fixed income even though bond yields may rise a little further from current levels.

Asset allocation

Asset class	Strategic weight	Current weight ¹	Relative to last month
Global Equity	55.0%	56.25%	Unchanged
Canadian Equity	15.0%	16.25%	Unchanged
Canadian Bond	29.5%	27.0%	Unchanged
Cash	0.5%	0.5%	Unchanged

CIBC’s Sustainable Investment Solutions are actively managed portfolios designed to align investors’ wealth objectives with a values-based approach focused on responsible investing. The portfolios offer access to a broad range of investment opportunities through a mix of CIBC Sustainable Investment top funds..

For more information, access the CIBC Sustainable Balanced Growth Solution fund pages: [Class A](#) | [Class F](#)



Underlying fund performance:

- The CIBC Sustainable Canadian Core Plus Bond strategy remains overweight the corporate sector and underweight the Government of Canada and Provincial sectors. The yield of the portfolio is above the benchmark due to the sector allocation strategy, and duration was mostly neutral during the period versus the benchmark.
- The CIBC Sustainable Canadian Equity strategy continues to provide investors with significantly lower exposure to carbon risk through reduced exposure to both fossil fuels and emissions. As the world tackles the climate crisis, the strategy will benefit from its low exposure to transition risk. The portfolio also provides investors with less exposure to companies with poor ESG practices, highlighted by its higher ESG profile.
- The Sustainable Global Equity strategy underperformed the MSCI World Index in the month of March by approximately 80bps, driven by stock selection in the Communications, Utilities, and IT sectors. Positions in ESG-leading utilities Brookfield Renewables and American Water were detractors from relative performance. An overweight position in Netflix was also a significant detractor. The portfolio's 0% weight to Energy was also a large detractor during the month, as Energy stocks continued their strong rally. The manager continues to focus on companies with strong ESG fundamentals, lending the portfolio a quality bias.

Sustainability insight²

Fund	Morningstar sustainability rating
CIBC Sustainable Canadian Core Plus Bond Fund	Above average
CIBC Sustainable Canadian Equity Fund	Above average
CIBC Sustainable Global Equity Fund	High

¹Total may not sum to 100% due to rounding.

² Morningstar sustainability ratings are updated quarterly. Data derived from Morningstar Direct as of March 31, 2022. © 2022 Morningstar Research Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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