



HOBSON CHAHAL  
ADVISORY GROUP  
WOOD GUNDY

# MD of Greenview

## *Economic and Investment Update*

**Prepared by:**

James Hobson, CFA, Portfolio Manager  
Charet Chahal, CFA, Portfolio Manager  
Jacob Cranham, Associate Investment Advisor

May, 2025



# Hobson Chahal Advisory Group



One of Canada's largest and most experienced teams in customized investment management



Serving municipalities across Canada for more than 40 years



At present, we work with over 85 municipalities across Canada and manage ~\$4 billion in combined assets



Cost efficient execution through open architecture and economies of scale



Backed by the collective resources of CIBC bank

# Your Team – Highly Experienced Public Sector Specialists



**James Hobson**  
CFA



**Nick Poulias**  
MBA



**Charet Chahal**  
CFA

## Research and Analytics

**Ricky Chan**

CFA  
Lead – Institutional Analytics and Reporting

**David Newton**

CFA  
Executive Director, Trading and Risk

**Avery Shenfeld**

Ph.D.  
Chief Economist and Managing Director

**Sid Mokhtari**

CMT  
Technical Strategist

## Client Service and Administration

**Marika Poulin**

Lead – Client Service and Administration

**Jake Cranham**

Associate Investment Advisor

**Anita Mak**

Client Administration

# General Objectives

1. **Preservation of Capital** - Safety of principal is the primary objective
2. **Risk Mitigation** - Ensuring sufficient diversification among assets
3. **Return on Investment** - Maximizing rate of return subject to constraints
  - Generate additional cash flow and grow the portfolio
  - Protect reserve funds from the eroding effects of inflation
4. **Liquidity Needs** - Structuring portfolios for optimal liquidity



# Economic Update

# Trade War Goes Global

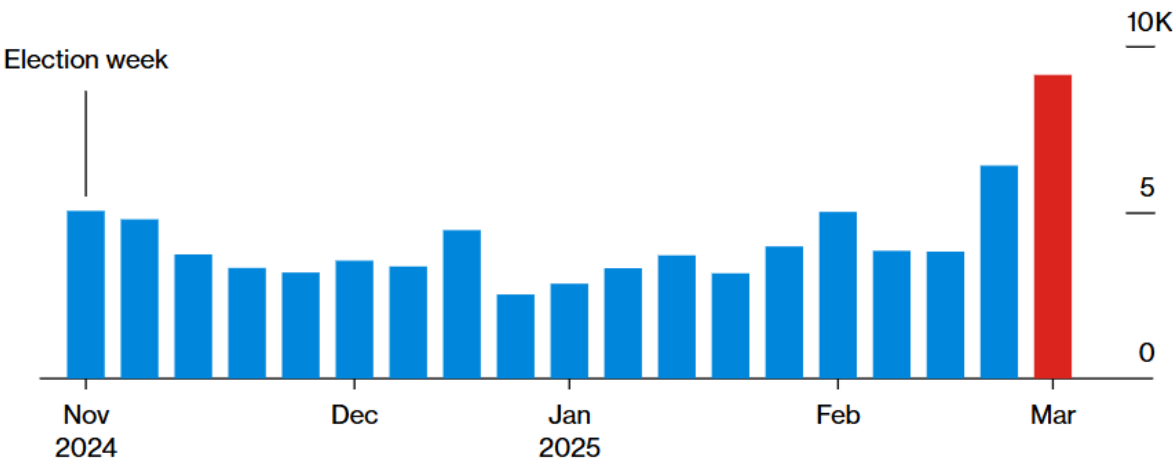




# Trade uncertainty soars and recession fears increase

## The R-word is back

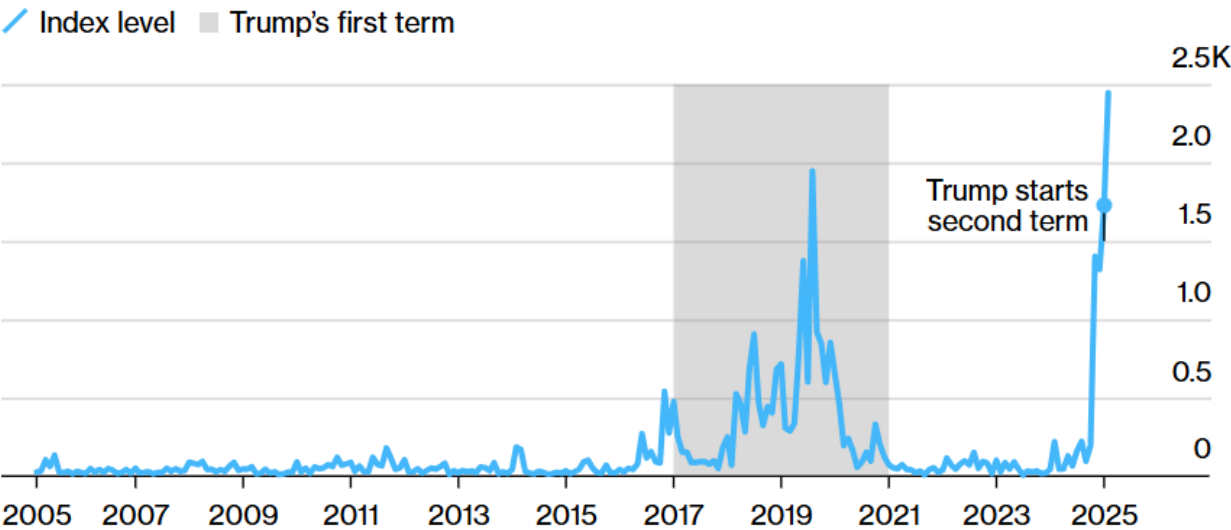
References to "recession" spiked last week



Source: Bloomberg  
Note: Weekly count from search of all news sources, social media posts and other text carried on Bloomberg terminal

## Trade uncertainty soars to highest on record

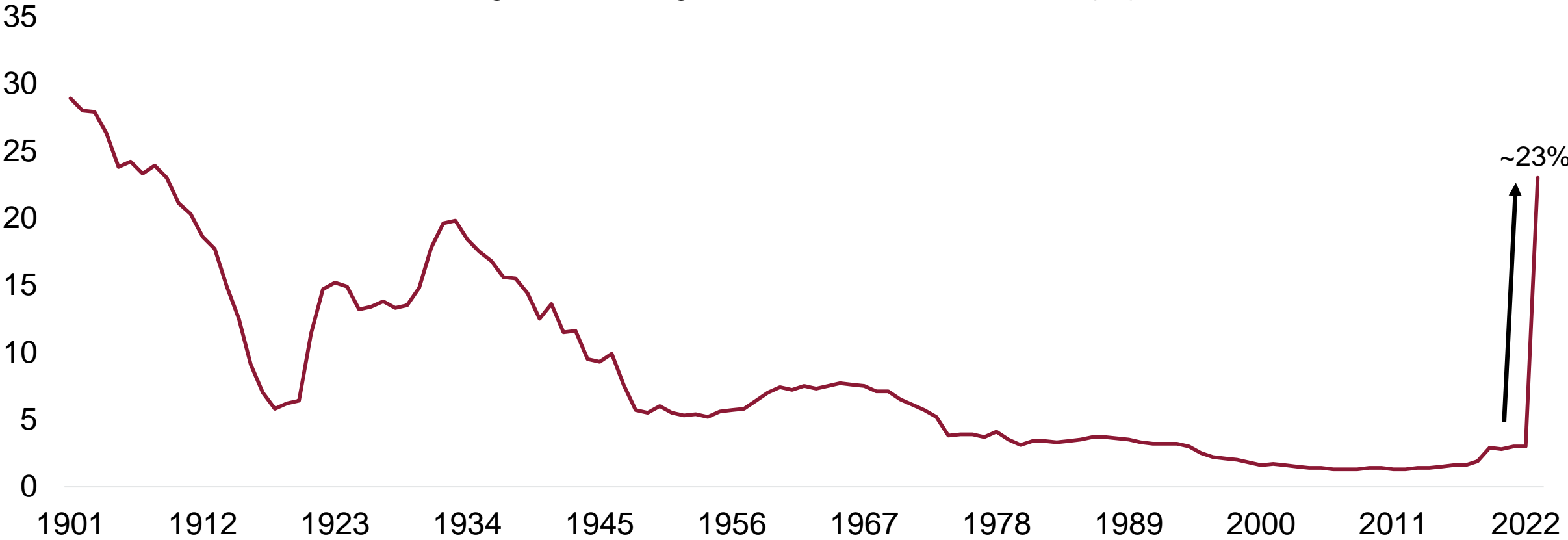
Trump's tariff threats have roiled markets and disrupted businesses



Source: Baker, Bloom & Davis

Tariffs on the scale threatened haven't been seen for a LOOONNNGGG time...

Weighted Average Effective US Tariff Rate (%)



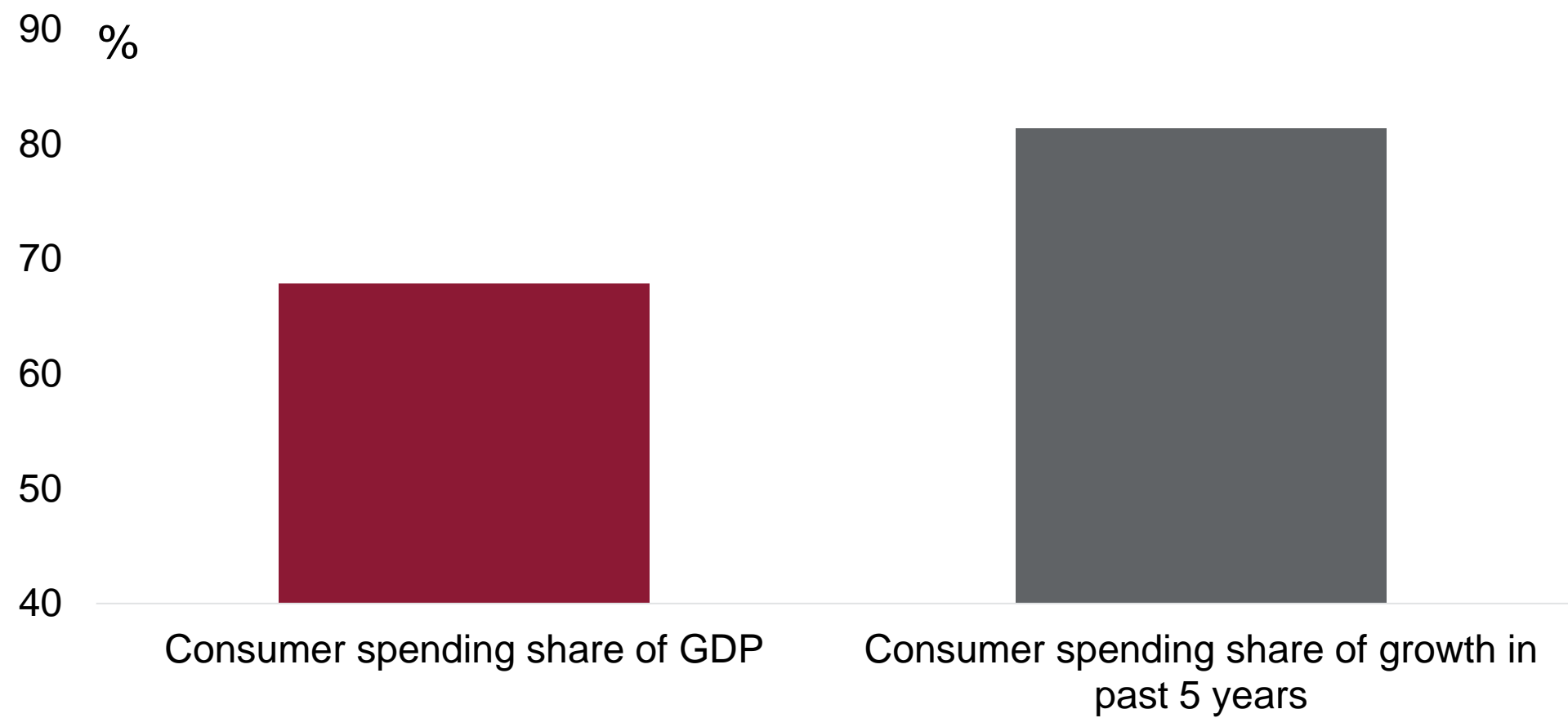
Source: Budget lab, Yale University



HOBSON CHAHAL ADVISORY GROUP  
WOOD GUNDY



# US Economy has been even more reliant than normal on consumer spending recently



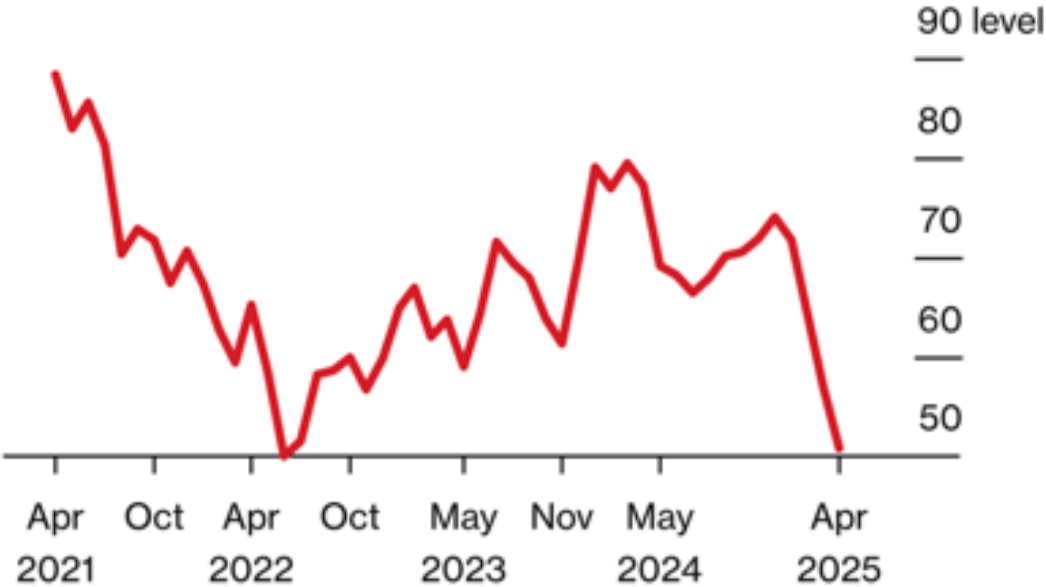
Source: BEA, CIBC



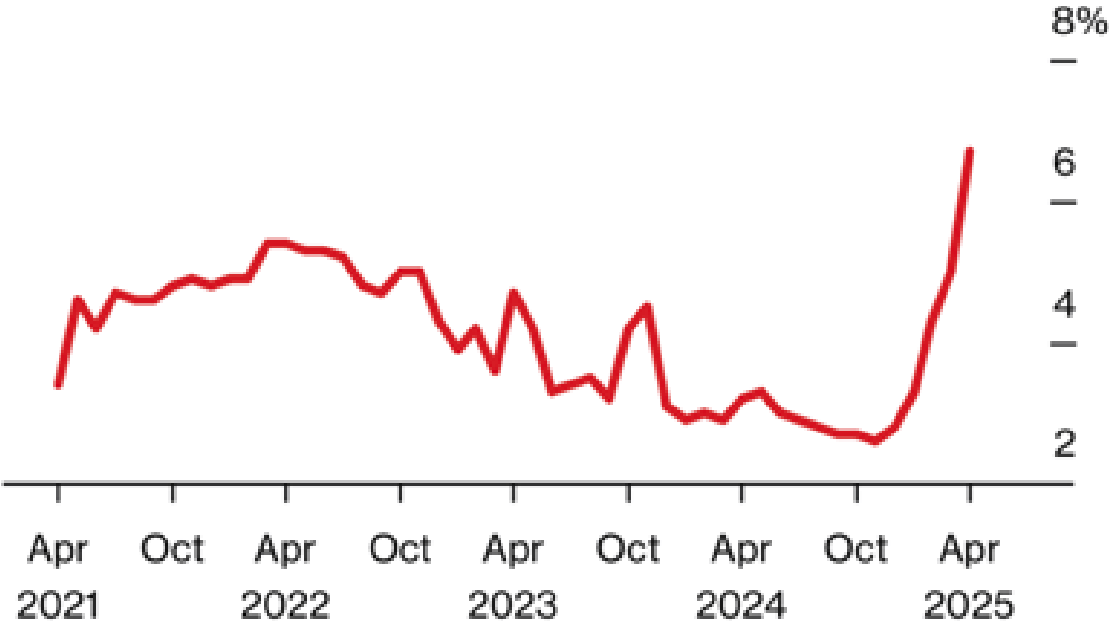
HOBSON CHAHAL ADVISORY GROUP  
WOOD GUNDY

# US Consumer sentiment plunges over inflation concerns

Consumer sentiment index

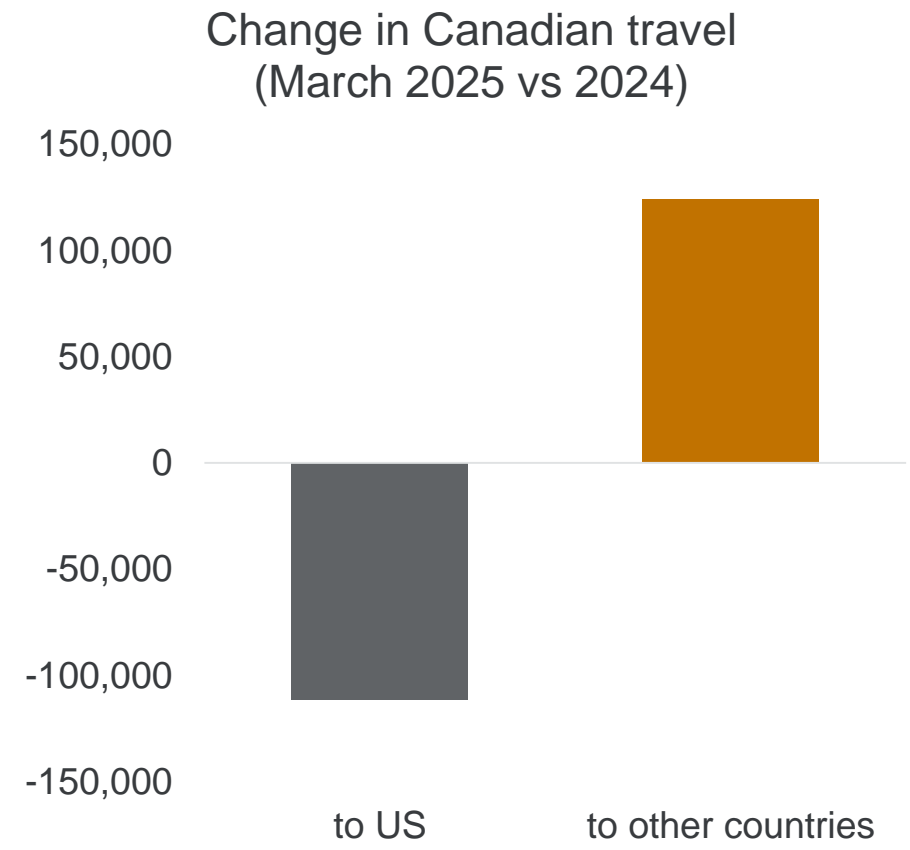
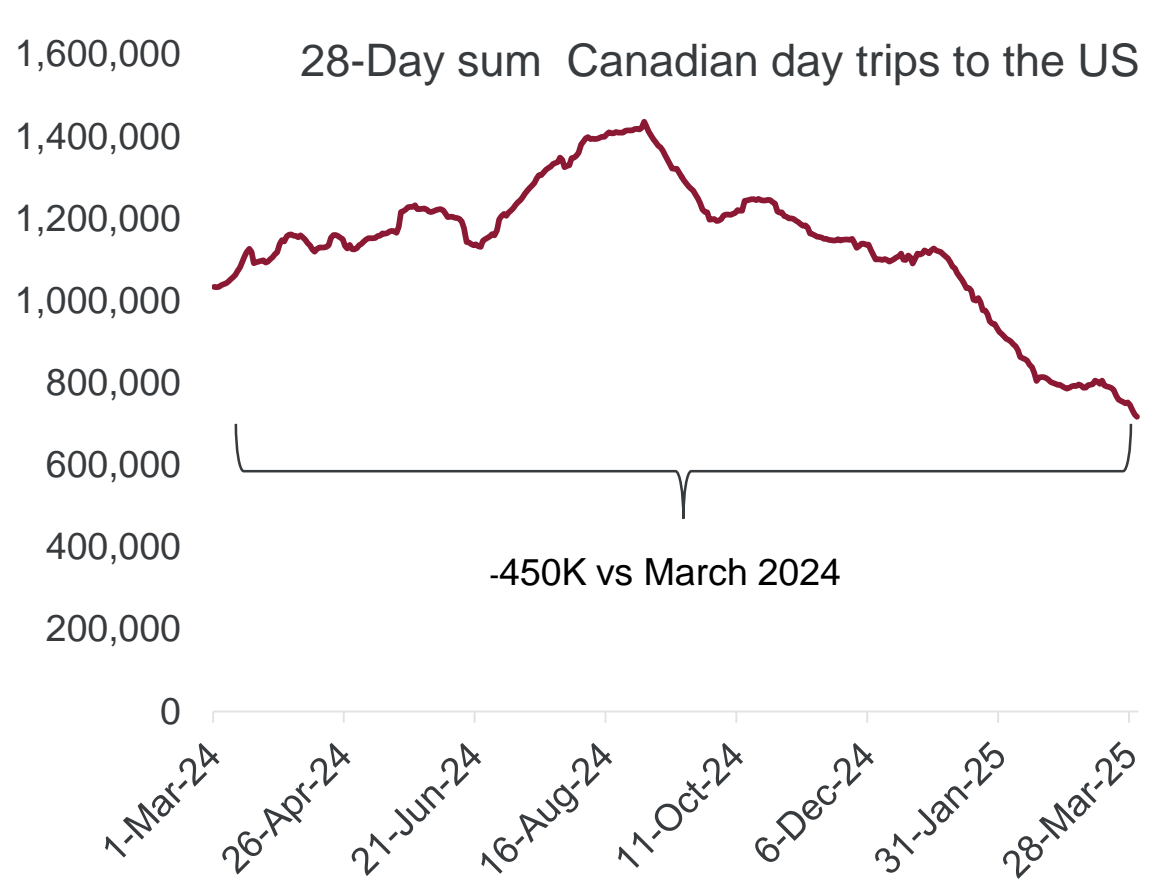


1-year inflation expectations



Source: Bloomberg, University of Michigan

# Buy Canada movement (and C\$) having an impact on spending already (L) Reorientating travel (R)



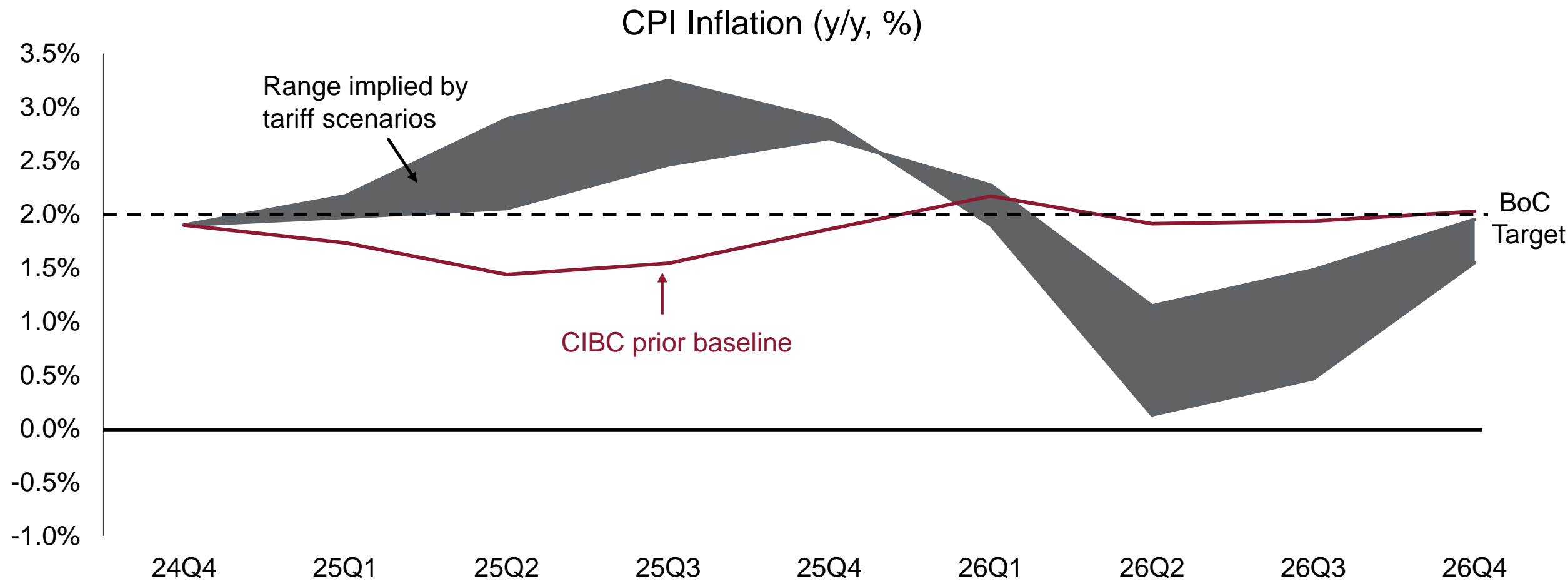
Source: Statistics Canada, CIBC

# Bank of Canada increased policy rates alongside rising inflation



Source: Bank of Canada

# Tariffs have a negative impact on inflation longer-term



Source: CIBC



HOBSON CHAHAL ADVISORY GROUP  
WOOD GUNDY

# Provincial economic forecasts

	Real GDP Y/Y % Chg					Unemployment rate %					Consumer Price Index Y/Y % Chg				
	2022A	2023A	2024F	2025F	2026F	2022A	2023A	2024A	2025F	2026F	2022A	2023A	2024A	2025F	2026F
BC	4.0	2.4	1.1	1.3	2.0	4.6	5.2	5.6	6.1	5.4	6.9	4.0	2.6	2.8	1.5
Alta	6.0	2.3	2.2	1.7	2.2	5.8	5.9	7.1	7.4	6.4	6.5	3.3	2.9	3.0	1.5
Sask	7.2	2.3	2.0	1.2	1.8	4.6	4.7	5.5	5.8	5.3	6.6	3.9	1.4	3.0	1.5
Man	4.2	1.7	1.3	1.1	1.6	4.5	4.9	5.5	5.9	5.6	7.9	3.6	1.0	4.1	1.6
Ont	4.1	1.7	1.5	0.8	2.1	5.6	5.6	7.0	7.6	6.9	6.8	3.8	2.4	2.3	1.5
Qué	3.4	0.6	1.1	0.9	1.9	4.3	4.4	5.4	5.8	5.4	6.7	4.5	2.3	2.5	1.5
NB	2.0	1.6	1.5	0.9	1.5	7.2	6.6	7.1	7.3	6.9	7.3	3.5	2.2	1.5	1.5
NS	3.5	2.0	1.7	1.2	1.3	6.6	6.4	6.5	6.9	6.6	7.5	4.0	2.3	2.2	1.5
PEI	4.4	2.2	2.5	1.9	1.8	7.7	7.3	7.8	8.2	7.8	8.9	2.9	1.9	1.8	1.5
N&L	-1.9	-2.6	3.5	1.8	2.2	11.1	9.8	10.0	9.9	9.7	6.4	3.3	1.8	1.7	1.5
<b>Canada</b>	<b>4.2</b>	<b>1.5</b>	<b>1.5</b>	<b>1.0</b>	<b>2.0</b>	<b>5.3</b>	<b>5.4</b>	<b>6.4</b>	<b>6.9</b>	<b>6.2</b>	<b>6.8</b>	<b>3.9</b>	<b>2.4</b>	<b>2.5</b>	<b>1.5</b>

Source: CIBC, Statistics Canada, CMHC



HOBSON CHAHAL ADVISORY GROUP  
WOOD GUNDY

# Interest rate forecast

## Canada

Variable	2025 16-Apr	2025 Jun	2025 Sep	2025 Dec	2026 Mar	2026 Jun	2026 Sep	2026 Dec
Overnight target rate	2.75	2.50	2.25	2.25	2.25	2.25	2.25	2.25
98-Day Treasury Bills	2.66	2.45	2.20	2.05	2.15	2.20	2.30	2.35
2-Year Government Bond	2.51	2.40	2.50	2.65	2.85	3.00	3.10	3.15
5-Year Government Bond	2.71	2.65	2.80	2.85	3.00	3.10	3.20	3.10
10-Year Government Bond	3.09	3.05	3.25	3.30	3.35	3.40	3.40	3.30

## United States

Variable	2025 16-Apr	2025 Jun	2025 Sep	2025 Dec	2026 Mar	2026 Jun	2026 Sep	2026 Dec
Federal funds rate (midpoint)	4.375	4.375	3.875	3.625	3.375	3.375	3.375	3.375
91-Day Treasury Bills	4.31	4.20	3.80	3.60	3.45	3.45	3.50	3.55
2-Year Government Note	3.79	4.00	3.65	3.55	3.40	3.65	3.75	3.90
5-Year Government Note	3.92	4.15	3.85	3.80	3.60	3.70	3.75	3.90
10-Year Government Note	4.28	4.15	4.00	3.95	3.85	3.90	4.10	4.15

Source: CIBC Economics as of April 16, 2025



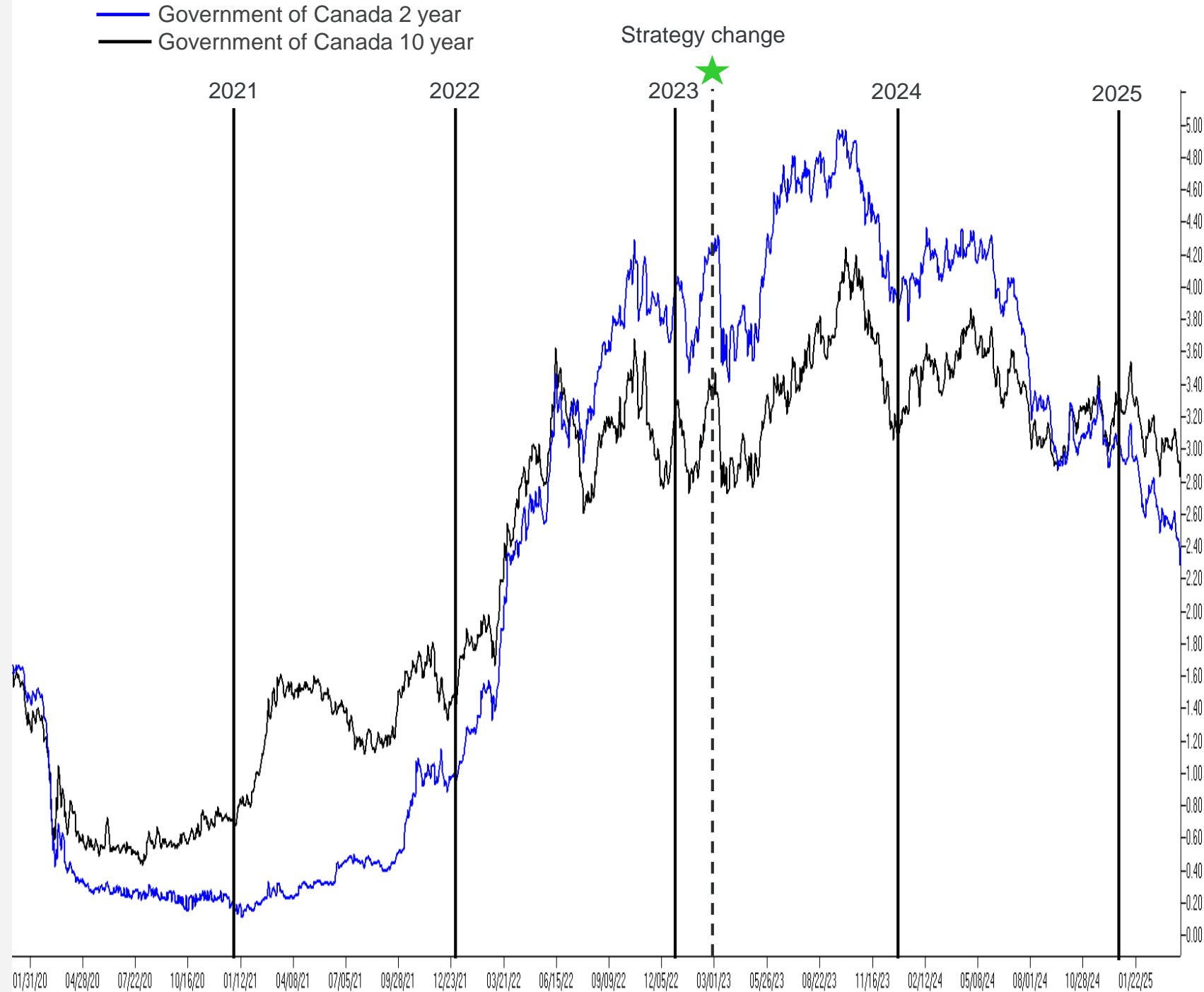
HOBSON CHAHAL ADVISORY GROUP  
WOOD GUNDY



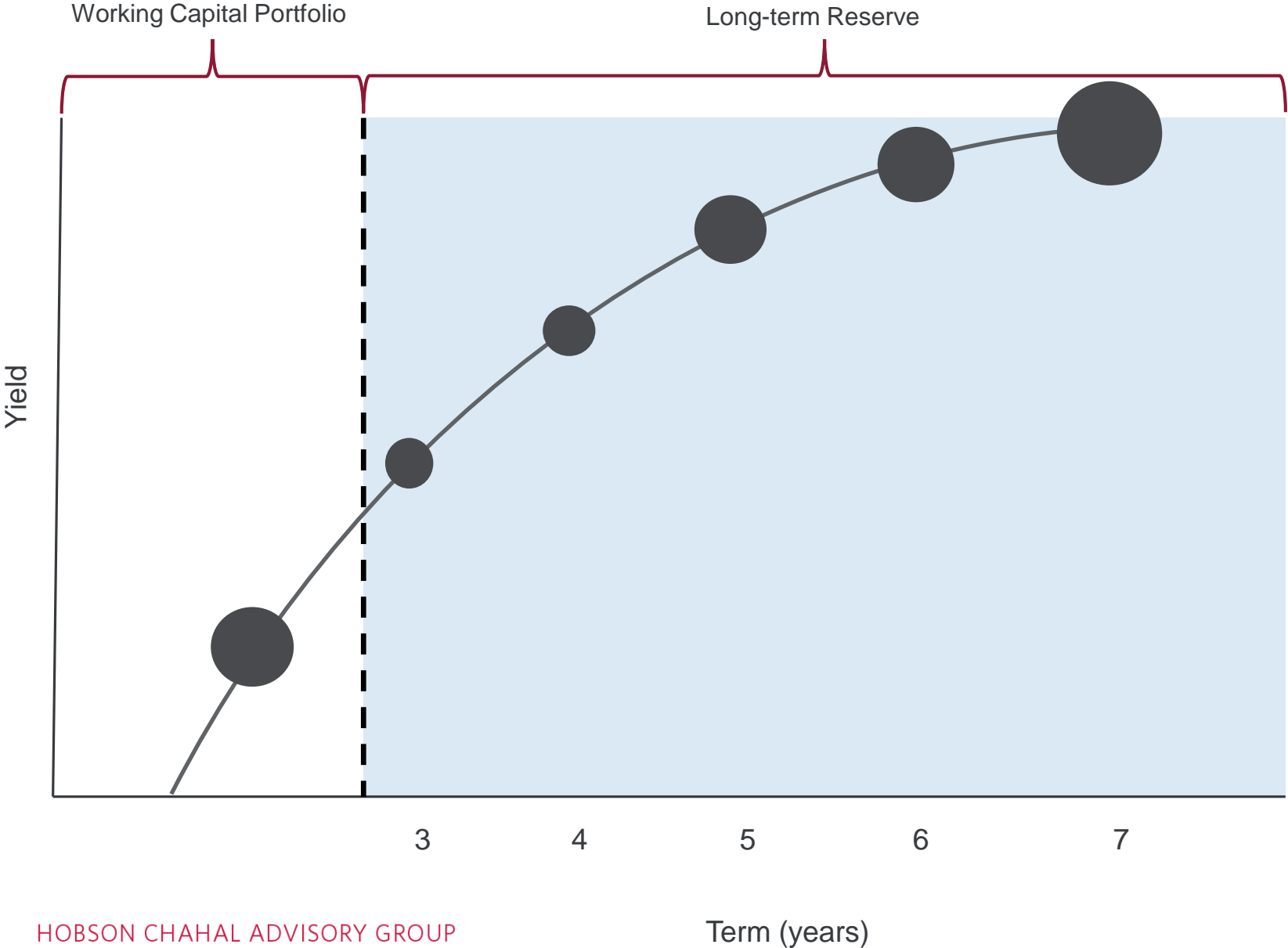
# Portfolio Characteristics

# Yields

Yields peaked and have come down as central bankers focused on easing inflationary pressures and tariff uncertainty



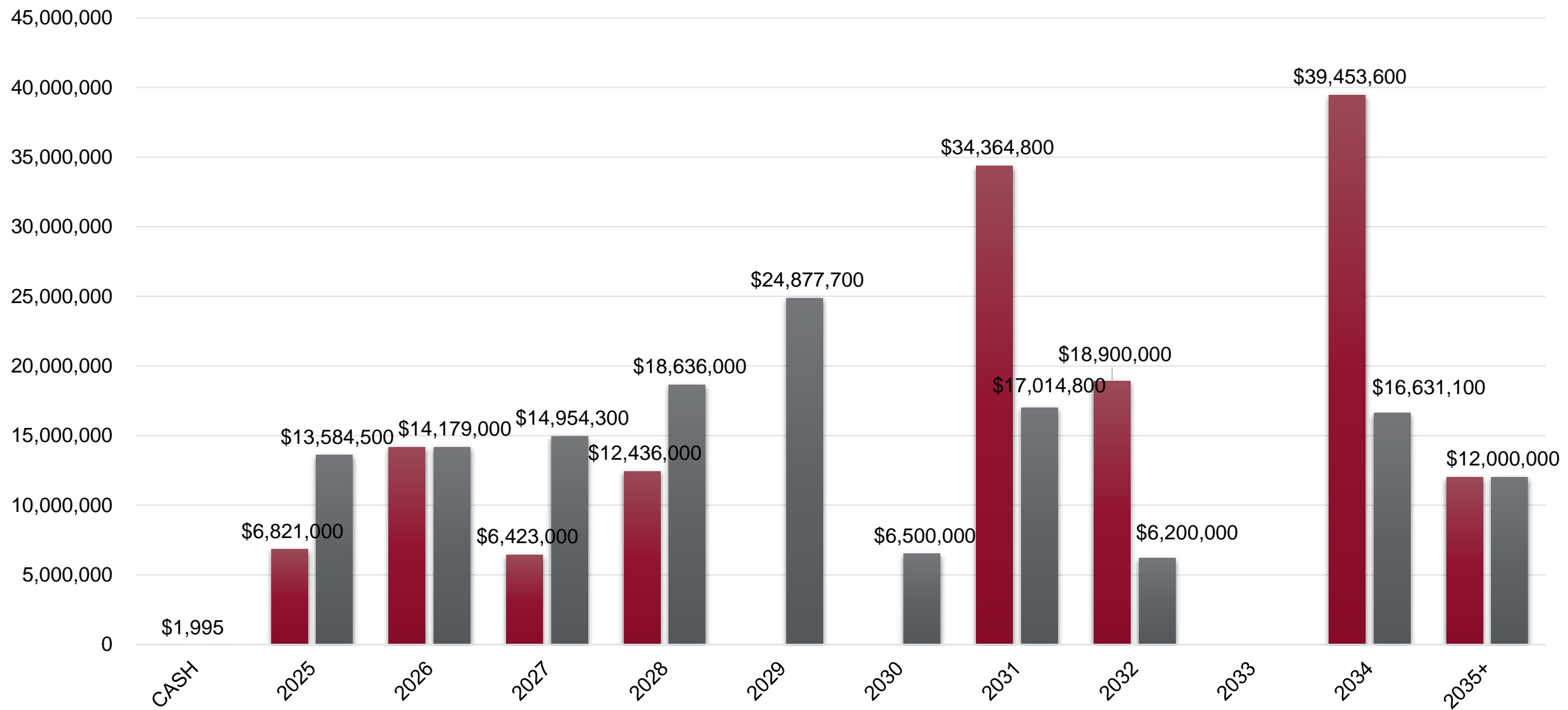
# Barbell



# Old Maturity Schedule (As of Dec 2022)



# New Maturity Schedule (Expected)



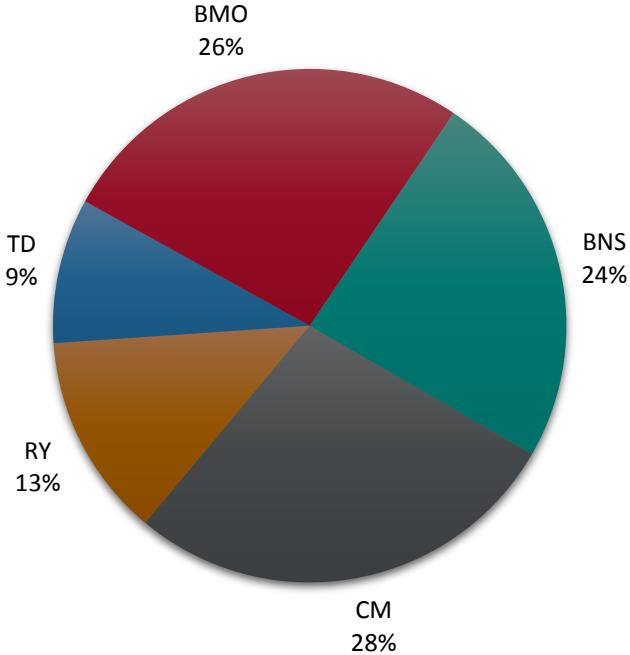
# Portfolio Characteristics

Description	Value (as of April 18, 2025)
Portfolio Market Value	\$143,196,272
YTM-Cost	5.87%

Credit Rating (DBRS)

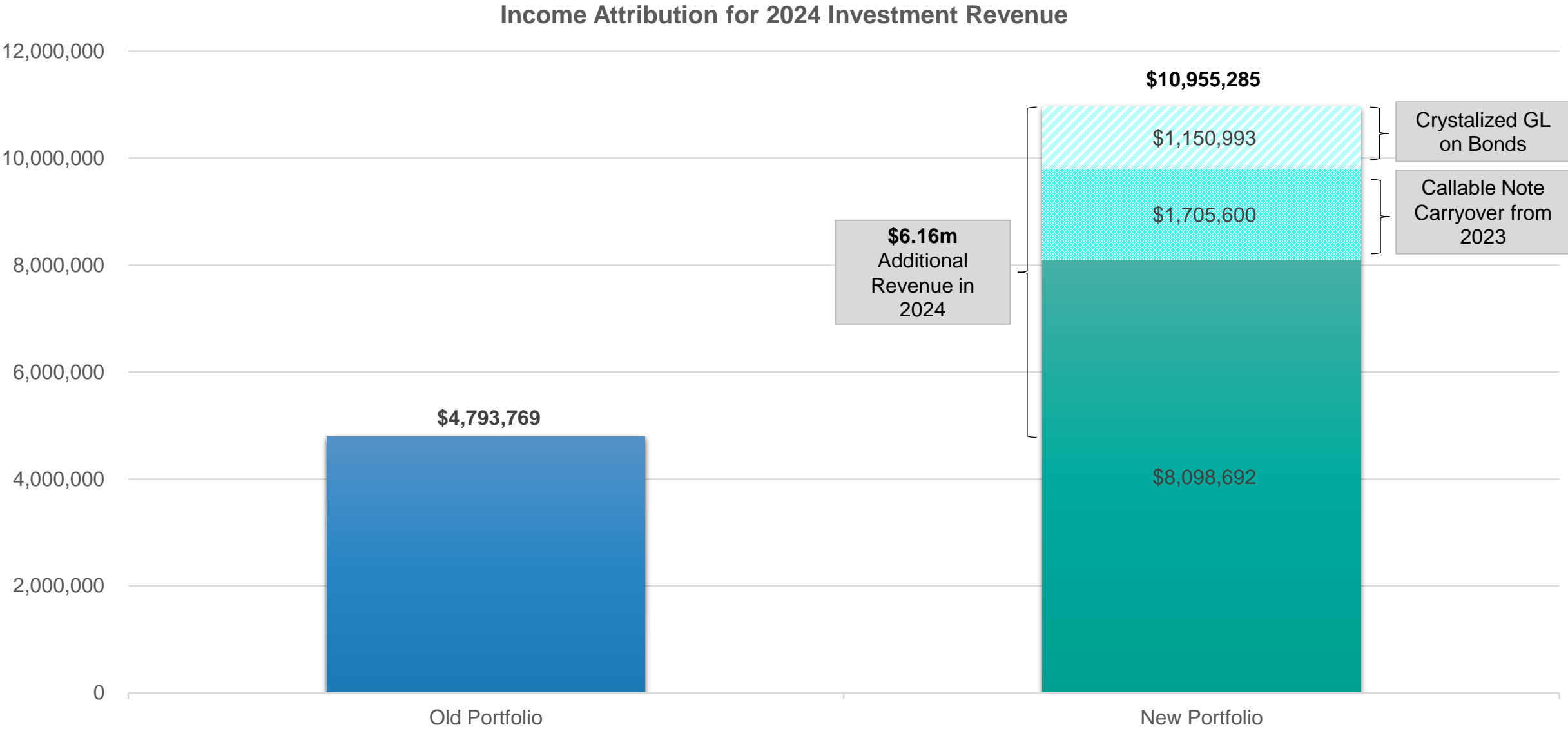


Issuer Diversification



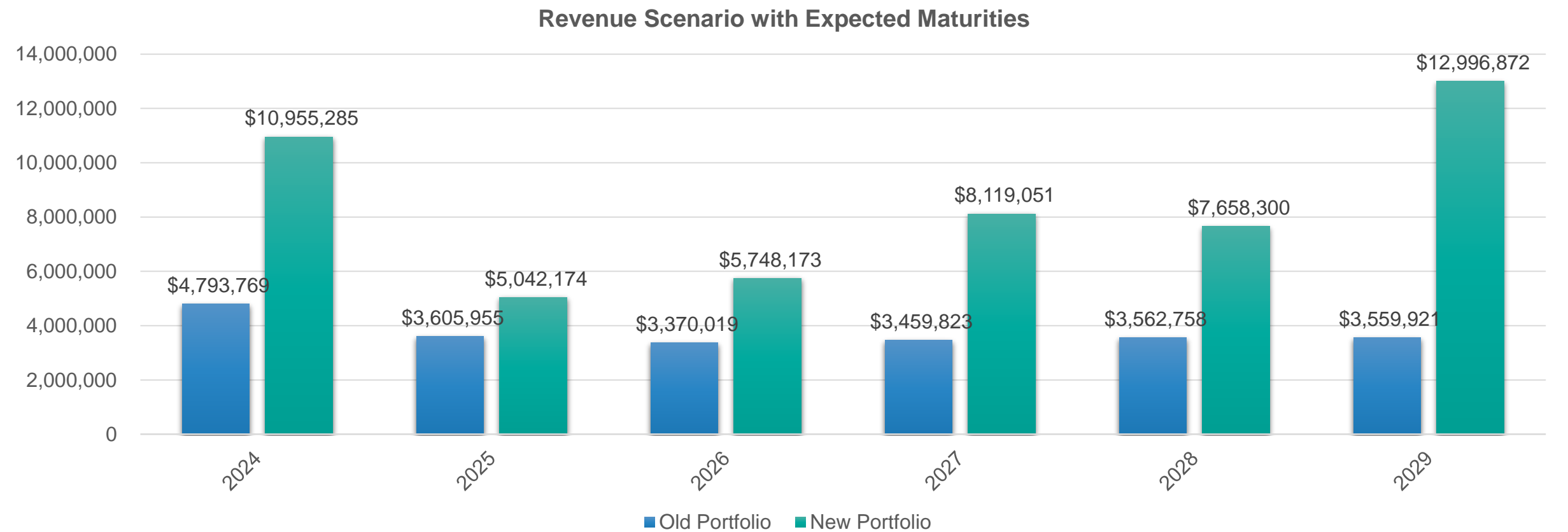
- Portfolio is currently 100% compliant with investment policy and MGA
- Portfolio is broadly diversified amongst various investment tools and issuers

# Strategy Comparison



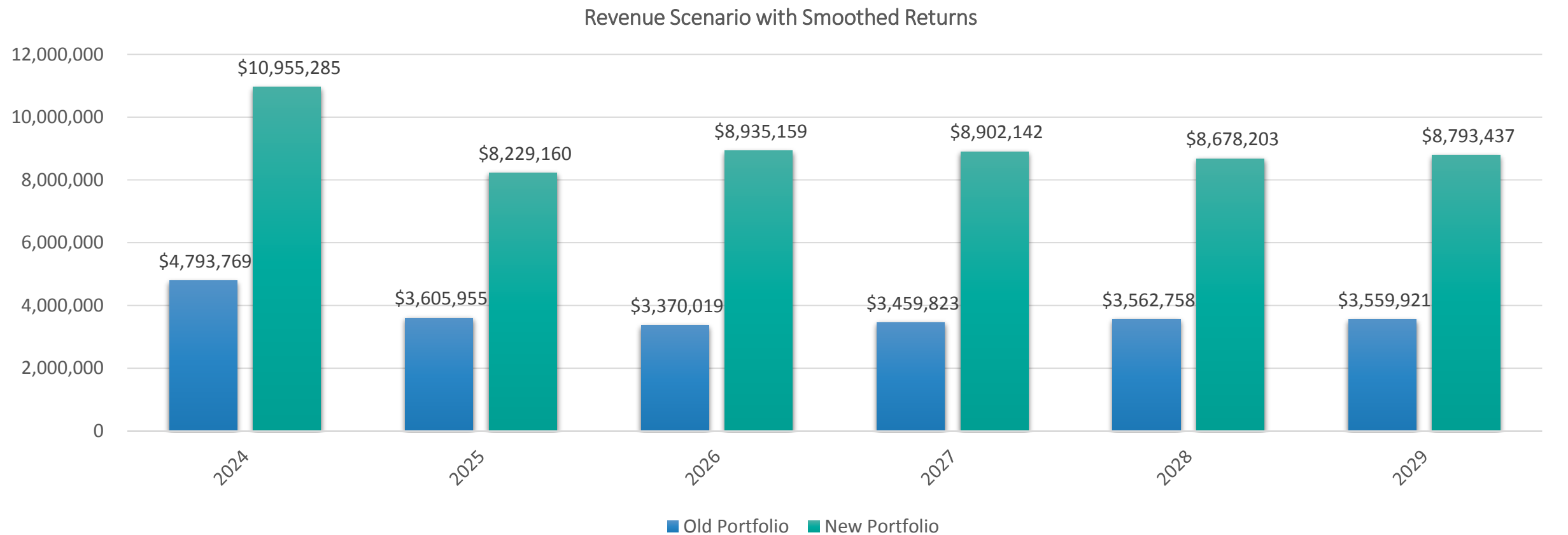


# Strategy Comparison



	2024	2025	2026	2027	2028	2029
Old Portfolio	\$4,793,769	\$3,605,955	\$3,370,019	\$3,459,823	\$3,562,758	\$3,559,921
New Portfolio	\$10,955,285	\$5,042,174	\$5,748,173	\$8,119,051	\$7,658,300	\$12,996,872
Delta	\$6,161,516	\$1,436,219	\$2,378,154	\$4,659,228	\$4,095,542	\$9,436,951
Cumulative Total	\$6,161,516	\$7,597,736	\$9,975,889	\$14,635,118	\$18,730,660	\$28,167,611

# Strategy Comparison



	2024	2025	2026	2027	2028	2029
Old Portfolio	\$4,793,769	\$3,605,955	\$3,370,019	\$3,459,823	\$3,562,758	\$3,559,921
New Portfolio	\$10,955,285	\$8,229,160	\$8,935,159	\$8,902,142	\$8,678,203	\$8,793,437
Delta	\$6,161,516	\$4,623,205	\$5,565,139	\$5,442,319	\$5,115,445	\$5,233,515
Cumulative Total	\$6,161,516	\$10,784,721	\$16,349,860	\$21,792,179	\$26,907,624	\$32,141,139

# Summary

1 Maintain current portfolio strategy

Continue working with administration to ensure planned liquidity needs are met 2

3 Realize benefits of new portfolio through disciplined capital planning

Portfolio is very well positioned for the long-term to ensure yield preservation and maximize investment revenue

Questions?

# Disclaimers

CIBC World Markets Inc., CIBC World Markets Corp., CIBC World Markets Plc., CIBC Australia Limited and certain other corporate banking and capital markets activities of Canadian Imperial Bank of Commerce operate under the brand name CIBC Capital Markets.

This report is issued and approved for distribution by (a) in Canada, CIBC World Markets Inc., a member of the Investment Industry Regulatory Organization of Canada, the Toronto Stock Exchange, the TSX Venture Exchange and a Member of the Canadian Investor Protection Fund, (b) in the United Kingdom, CIBC World Markets plc, which is regulated by the Financial Services Authority, and (c) in Australia, CIBC Australia Limited, a member of the Australian Stock Exchange and regulated by the ASIC (collectively, "CIBC") and (d) in the United States either by (i) CIBC World Markets Inc. for distribution only to U.S. Major Institutional Investors ("MII") (as such term is defined in SEC Rule 15a-6) or (ii) CIBC World Markets Corp., a member of the Financial Industry Regulatory Authority. U.S. MIIs receiving this report from CIBC World Markets Inc. (the Canadian broker-dealer) are required to effect transactions (other than negotiating their terms) in securities discussed in the report through CIBC World Markets Corp. (the U.S. broker-dealer).

This report is provided, for informational purposes only, to institutional investor and retail clients of CIBC World Markets Inc. in Canada, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. This document and any of the products and information contained herein are not intended for the use of private investors in the United Kingdom. Such investors will not be able to enter into agreements or purchase products mentioned herein from CIBC World Markets plc. The comments and views expressed in this document are meant for the general interests of wholesale clients of CIBC Australia Limited.

This report does not take into account the investment objectives, financial situation or specific needs of any particular client of CIBC. Before making an investment decision on the basis of any information contained in this report, the recipient should consider whether such information is appropriate given the recipient's particular investment needs, objectives and financial circumstances. CIBC suggests that, prior to acting on any information contained herein, you contact one of our client advisers in your jurisdiction to discuss your particular circumstances. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice; as with any transaction having potential tax implications, clients should consult with their own tax advisors. Past performance is not a guarantee of future results.

The information and any statistical data contained herein were obtained from sources that we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All estimates and opinions expressed herein constitute judgments as of the date of this report and are subject to change without notice.

This report may provide addresses of, or contain hyperlinks to, Internet web sites. CIBC has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient's convenience and information, and the content of linked third-party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk.

**© 2025 CIBC World Markets Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets Inc. is prohibited by law and may result in prosecution.**