INSIDE THIS ISSUE

Unless otherwise noted, all prices quoted in this report are as of the close of markets on June 24, 2020.

July 2020

Q3/2020 OUTLOOK: REVENGE OF THE KEYNESIANS

It has been said that the bull market that began after the Great Recession of 2008 has been one of the most disliked rallies of all time, even though the U.S. S&P 500 Index rallied 399.6% between March 9, 2009, and February 15, 2020. Likewise, the powerful rally that began on April 1, 2020, has also been seen with skeptical eyes. The reason for the disdain: the view that markets have rallied mainly as a result of extreme amounts of global stimulus.

There are two main schools of thought in economics – Classical and Keynesian (based on the work of John Maynard Keynes). Classical economics believes that an increase in money supply (perhaps resulting from accommodative central bank policy) will in the long term only result in higher inflation levels and there will be no positive impact on the real economy. On the other hand, Keynesian economists maintain that monetary and fiscal policy can be used to engineer a less volatile business cycle.

A shortcoming of the Classical school of thought is that it assumes that market forces – referred to as the 'invisible hand' – will correct economic imbalances over the long run. However, as a practical matter, relying on natural market forces to adjust back to a 'normal' level of growth after a severe downturn could not only take a prolonged period of time but also result in a jump in unemployment, which would probably disproportionately impact the most vulnerable members of society. Based on the decades of policy action, it is clear that most global governments and central banks believe in Keynesian economics.

Sector Strategy

	Canada	U.S.
Financials	M	M
Real Estate	M	M
Energy	M	M
Materials	M	M
Industrials	M	M
Consumer Discretionary	M	M
Consumer Staples	M	M
Communication Services	M	M
Information Technology	O	O
Utilities	M	M
Health Care	M	O

Source: CIBC Private Wealth Management; M: Market Weight; O: Overweight; U: Underweight

For instance, shortly after the outbreak's spread began to accelerate rapidly from Asia, the U.S. Federal Reserve (Fed), on March 23, announced the fourth round of quantitative easing. However, unlike the previous three rounds that had set limits on the value of securities that could be purchased under the program, this latest program is unlimited meaning that the Fed could purchase as many securities as required to meet its objective of bolstering growth. Likewise, the U.S. federal government approved a US$2 trillion fiscal stimulus package to help assist those that have been financially impacted by the pandemic. Following the lead of the U.S., in the following days and weeks, many policymakers announced similar stimulus programs worldwide.

To be sure, there are risks to staying with a highly accommodative monetary policy for a prolonged period. For instance, lower interest rates result in credit growth and chronically low interest rates could cause debt level surges, which could ultimately cause a financial crisis. There is also the risk of growing complacency toward risky assets; it can be argued that equity markets have had a lower discount rate in part because of a lower risk premium required partly due to the very high levels of monetary policy support that have been in place since the Great Recession of 2008.

Although it is the best option, even aggressive Keynesian policy has limitations against exogenous shocks such as the COVID-19 outbreak. We are also a bit more cautious as a result of rising trade and geopolitical tensions. Nonetheless, unprecedented levels of global policy support are the primary reason we remain bullish.

YOGESH OZA, M.Econ., CFA

GREEN, SOCIAL AND SUSTAINABILITY BONDS

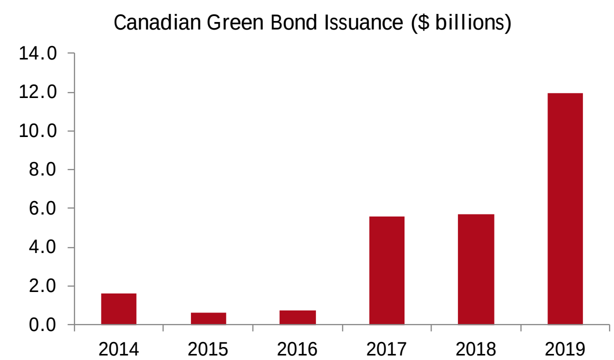
Market Update

It is time to review green, social and sustainability bonds and have a look at this rapidly growing segment of the fixed-income market. Globally for 2019, the total amount of climate-aligned bonds issued was US$257.7 billion, marking a new global record. The total is up by 51% over the final 2018 figure of US$170.6 billion. There is huge potential for a larger and even more diverse green-bond market in Canada. In 2019, annual Canadian green-bond issuance reached C$11.96 billion in green and sustainable bond issues, which reflected a 76% jump from C$6.78 billion in 2018.

What Are Green Bonds?

Green bonds are a relatively new segment of the bond market, which is getting traction with investors as part of the growing trend towards socially responsible investing. A green bond is a bond whose proceeds are used to fund environmentally-friendly projects. Green bonds are no different from the plain-vanilla bonds that a company issues, given that they carry the same credit ratings as the issuer's other equivalent debt obligations.

Green Bond Growth



Source: Climate Bonds Initiative as of February 2020

About a decade ago, the European Investment Bank (EIB) issued the first official green bond and for several years, super-sovereign entities such as The World Bank Group were the predominant issuers. Today, green bonds are offered by a variety of issuers such as governments, corporations as well as sub-sovereign entities. Issuers typically use the funds to finance projects related to clean water, renewable energy, energy efficiency, transportation, river and habitat restoration, acquisition of land or the mitigation of the impact of climate change.

Growth in Green Bonds

As mentioned above, in 2007 the green-bond market kicked off with a AAA investment-grade issuance from the EIB, followed by the World Bank in 2008. The wider bond market started to take notice after the first US$1 billion green-bond issuance by the International Finance Corporation (part of The World Bank) sold within an hour in March 2013. The turning point for this particular segment of the bond market came when the first corporate green bonds were issued in November 2013.

To better identify green bonds, they have been divided into two categories - Labelled Green Bonds and Unlabeled Climate-aligned Bonds.

1. Labelled green bonds are those for which 100% of the proceeds of the bond sale are earmarked for projects or assets that fit within the climate bonds classification.

2. Unlabeled climate-aligned bonds support projects that are aligned with climate mitigation or adaptation objectives but are not labelled as such by the issuer.

The majority (88%) of outstanding climate-aligned deals are investment-grade. AAA accounts for 5%; AA is the largest rating band at 38%; single A accounts for 29% and BBB is at 16%. Only 6% of issuance is rated BB+ or below, while another 6% is not rated.

ESG Fixed-Income Opportunities

Due to developing demand for environmental, social and governance (ESG) investing, Moody's projected an increase of 24% in global issuance from last year of new green, social and sustainability bonds. Across the financial sector, investors are gradually integrating ESG bond investments into their portfolios as their focus on climate change and sustainability grows.

As the market expands beyond green bonds, there are a number of new ESG products with a different focus. Social bonds are used to finance social projects. CIBC issued the first Canadian social bond to the market in September 2018 that focused on companies with a demonstrated commitment to women in leadership roles. Globally, social bonds grew 41% in 2019 versus 2018 with US$20 billion worth of deals coming to market. Climate-awareness bonds have a narrower focus than green bonds but are similar. Sustainability bonds combine elements of green and social bonds.

The emergence of sustainable-development bonds supports the United Nations Sustainable Development Goals (SDGs) and signals that fixed-income markets have entered a new phase. The SDG's are intended to promote prosperity while protecting the planet. This recognizes that ending poverty must go together with strategies that build economic growth and address a range of social needs. Canada issued eight sustainable-development bonds last year. Expect to see a rising group of issuers in a broad range of sectors come to market.

The Green-Bond Alternative

So why should investors buy green, social and sustainability bonds aside from wanting to support environmentally-friendly projects that lower the carbon footprint and improve environmental conditions? The answer is simple; the rationale is the same as for holding any other fixed-income product in that they provide attractive income, diversity, growth and bring defensiveness to one's portfolio. Investors should remember that while it is true that money does not grow on trees, it can grow alongside them when invested sensibly.

ALLAN BISHOP
Investment Strategy Group

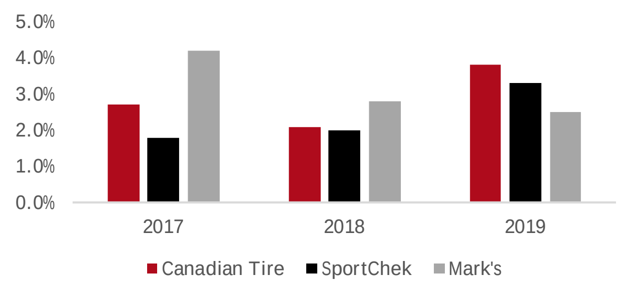
CANADIAN EQUITIES

Canadian Tire Corporation, Ltd. (CTC.A, $117.95, Outperformer) Price Target: $130.00

The extreme volatility in the market recently and the ongoing uncertainty surrounding economic growth have resulted in a significant dislocation in share prices, and cyclical sectors like the consumer discretionary space have been especially severely impacted. However, with countries gradually loosening their containment measures, the anticipation of a successful restart to the economy has resulted in a less defensive positioning in the market. This shift in posture has led the S&P/TSX Consumer Discretionary sector to rally by 57% from the March lows, outperforming the S&P/TSX Index by 21% on a price return basis.

Canadian Tire is a well-diversified business in category, geography, and segment, with strong underlying trends that provide it a competitive advantage in navigating an uncertain operating environment as the new normal emerges. The company is an iconic Canadian brand that operates through three segments – Retail, Financial Services, and CT REIT. The Retail business, led by the Canadian Tire (CTR), Mark's and SportChek banners, offers consumers a diversified product mix across its various business divisions, which include Automotive, Living, Fixing, Seasonal & Gardening, Sports, and Apparel. Even though the pandemic-related store closures in Ontario resulted in a consolidated retail sales decline of 19% in April, CTR continued to be a bright spot, demonstrating the resiliency of its brand by posting only a marginal sales decline of 1.8%.

Retail Segment Performance – Comparable Sales Growth



Source: Company Reports

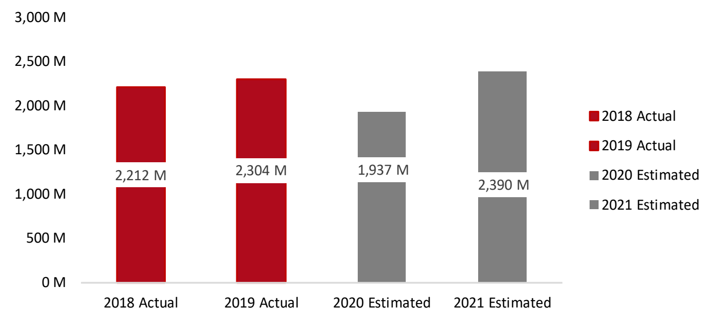
Higher e-commerce penetration across all banners contributed positively to retail sales in Q1/20. During the crisis, as demand on Canadian Tire's e-commerce channels heightened, the company was able to react quickly (after significant initial difficulties) and materially scale up its e-commerce platform, especially at CTR, although further investments are still needed to achieve a stronger long-term position.

CIBC analyst Mark Petrie considers Canadian Tire as one of his preferred plays given its brand power, strong balance sheet, and rebound potential in a recovery. It continues to be well-capitalized with access to multiple sources of liquidity. Valuation is also compelling, with the stock trading at 10x his estimated 2021 P/E compared to the general merchant peers, which trade at an average of 22x.

Restaurant Brands International Ltd. (NYSE: QSR, US$54.42, Outperformer) Price Target: US$62.00

While the COVID-19 pandemic has damaged many businesses and visibility remains limited, we are beginning to see the reopening of the economy. As business returns to normal, some companies will be better positioned to transition more quickly than others. As one of the world's largest quick-serve restaurant chains, with brands such as Burger King, Tim Hortons and Popeyes Louisiana Kitchen, Restaurant Brands International (RBI) should experience this type of quick recovery. RBI's business structure allows it to collect royalties on franchisee revenue, thereby eluding many operational challenges, cost fluctuations, and capital requirements incurred at the restaurant level.

Adjusted EBITDA – 2018 to 2021



Source: CIBC World Markets Inc.

Growth remains strong for most of RBI, with Popeyes continuing to show strength. CIBC analyst Mark Petrie expects percentage EBITDA growth in the mid-teens for Popeyes and the mid-to-high single digits for Burger King over the long term. Tim Hortons has been struggling to keep pace with the growth of the other RBI brands but Mr. Petrie expects it to have long-term percentage EBITDA growth in the low-single digits. Overall, RBI's combined EBITDA growth and unit growth remain above many of its peers. Mr. Petrie also notes that RBI offers better value when considering free cash flow yield. It has a lower capital intensity ratio, which means that it requires less capital per dollar of revenue. This, along with its lower tax rate relative to its peers, has allowed RBI to achieve a best-in-class free cash flow conversion rate. To address balance sheet concerns, RBI has issued US$500 million of five-year notes, bringing its current cash balance to US$3 billion, and changed a prior leverage covenant. All of this should give investors reassurance. Mr. Petrie expects more debt reductions by RBI, which would allow it to engage in M&A transactions and in an accelerated return of capital to shareholders.

While 2020 will present challenges for RBI, Mr. Petrie notes that 2021 looks healthy. He also believes the valuation remains attractive as he maintains a US$62 price target on the shares using a 22x multiple (a slight premium to its peers) on his estimated 2021 EPS.

BRAD BROWN, MBA, CFA & PUJA GHOSH, CFA, MBA, MSc.
Investment Strategy Group

Company Name	Symbol	Stock Rating	Market Cap	Price 24-Jun-20	Price Target	Adjusted Earnings Per Share (EPS) 2019A	2020E	2021E	P/E 2020E	Dividend Yield
Canadian Tire Corporation, Ltd.	CTC.A	OP	$7.4B	$117.95	$130.00	$12.99	$8.04	$12.07	14.7x	3.9%
Restaurant Brands International Inc. - 1	QSR	OP	$25.6B	$54.42	$62.00	$2.72	$2.06	$2.84	26.4x	3.8%

A – Actual for the fiscal year; E – Estimate for the fiscal year. 1 – All figures are stated in US dollars. **For a full description of the CIBC World Markets Inc. Research Rating System, please see page 6.**

MARKET RETURN DATA

North American Indices	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
		Price Performance (% Change)				Price Performance (% Change - Annualized)						
S&P/TSX Composite	15,515	2.1	16.0	-9.1	-9.1	-5.3	-2.4	0.7	1.3	3.2	3.0	2.1
Total Return		2.5	17.0	-7.5	-7.5	-2.2	0.8	3.9	4.5	6.3	6.0	4.8
S&P/TSX Preferred Share Index	530	3.4	13.2	-13.9	-13.9	-12.5	-13.2	-8.9	-6.0	-4.2	-4.2	N/A
Total Return		3.9	15.0	-11.2	-11.2	-7.2	-8.3	-4.0	-0.9	0.9	1.0	N/A
S&P 500 Index	3,100	1.8	20.0	-4.0	-4.0	5.4	6.8	8.6	8.5	11.6	6.6	3.9
Total Return		2.0	20.5	-3.1	-3.1	7.5	9.0	10.7	10.7	14.0	8.8	5.9
Dow Jones Industrial Average	25,813	1.7	17.8	-9.6	-9.6	-3.0	3.1	6.5	7.9	10.2	6.3	4.6
Total Return		1.8	18.5	-8.4	-8.4	-0.5	5.6	9.1	10.6	13.0	9.1	7.2
Nasdaq Composite Index	10,059	6.0	30.6	12.1	12.1	25.6	15.7	17.9	15.1	16.9	11.2	4.8

International Indices	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
		Price Performance (% Change)				Price Performance (% Change - Annualized)						
Bloomberg Euro 500	239	3.0	12.5	-13.7	-13.7	-7.3	-3.5	-2.1	-1.5	3.4	1.2	-0.7
FTSE Eurotop 100	2,698	3.2	10.2	-14.4	-14.4	-8.6	-2.8	-2.6	-2.2	2.6	0.6	-1.5
FTSE 100 (England)	6,170	1.5	8.8	-18.2	-18.2	-16.9	-10.1	-5.5	-1.1	2.3	1.3	-0.1
Dax (Germany)	12,311	6.2	23.9	-7.1	-7.1	-0.7	0.0	-0.0	2.4	7.5	6.8	2.9
CAC 40 (France)	4,936	5.1	12.3	-17.4	-17.4	-10.9	-3.7	-1.2	0.6	3.7	1.0	-1.3
MSCI World	2,202	2.5	18.8	-6.6	-6.6	1.1	2.7	4.7	4.9	7.8	4.4	2.4
MSCI Emerging Markets	995	7.0	17.3	-10.7	-10.7	-5.7	-3.5	-0.5	0.5	0.8	3.8	4.1
Total Return	2,323	7.4	18.2	-9.7	-9.7	-3.0	-0.7	2.3	3.2	3.6	6.7	6.9
MSCI EAFE	1,781	3.2	14.2	-12.6	-12.6	-7.4	-4.7	-1.9	-0.7	2.8	1.3	0.3
Total Return	7,688	3.4	15.1	-11.1	-11.1	-4.7	-1.6	1.3	2.5	6.2	4.6	3.4
Nikkei 225 (Japan)	22,288	1.9	17.8	-5.8	-5.8	4.8	-0.0	3.6	2.0	9.0	4.5	1.2
Hang Seng (Hong Kong)	24,427	6.4	3.5	-13.3	-13.3	-14.4	-8.2	-1.8	-1.4	2.0	3.7	2.1
ASX 200 (Australia)	5,898	2.5	16.2	-11.8	-11.8	-10.9	-2.4	1.0	1.6	3.2	2.2	2.9
Taiwan Weighted	11,621	6.2	19.7	-3.1	-3.1	8.3	3.6	3.8	4.5	4.7	4.2	1.7
Sensex 30 (India)	34,916	7.7	18.5	-15.4	-15.4	-11.4	-0.7	4.1	4.7	7.0	11.1	10.5

Index Returns In Canadian Dollars	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
		Price Performance (% Change)				Price Performance (% Change - Annualized)						
S&P/TSX Composite	15,515	2.1	16.0	-9.1	-9.1	-5.3	-2.4	0.7	1.3	3.2	3.0	2.1
Total Return		2.5	17.0	-7.5	-7.5	-2.2	0.8	3.9	4.5	6.3	6.0	4.8
S&P 500 Index	4,221	0.4	15.1	0.7	0.7	9.6	8.7	10.3	10.4	14.5	7.3	3.4
Total Return		0.6	15.7	1.7	1.7	11.8	10.9	12.5	12.7	16.9	9.6	5.5
Dow Jones Industrial Average	35,147	0.3	13.0	-5.1	-5.1	0.9	5.0	8.2	9.8	13.0	7.1	4.2
Total Return		0.4	13.8	-3.9	-3.9	3.4	7.5	10.8	12.6	15.8	9.8	6.7
Russell 2000	1,963	2.0	20.0	-9.4	-9.4	-4.3	-4.7	2.2	4.6	11.7	6.3	4.8
Nasdaq Composite Index	13,696	4.5	25.4	17.6	17.6	30.7	17.8	19.7	17.1	19.8	11.9	4.3
Bloomberg Euro 500	366	2.9	10.7	-9.3	-9.3	-4.6	-3.6	-1.0	0.4	5.1	1.4	-0.3
EURO STOXX 50	4,951	5.9	14.1	-9.3	-9.3	-4.2	-2.5	-1.0	0.8	4.0	0.3	-1.9
Total Return		6.3	15.4	-8.0	-8.0	-2.3	-0.2	1.4	3.4	7.0	3.3	0.8
MSCI World	2,998	1.1	14.1	-2.1	-2.1	5.1	4.5	6.4	6.7	10.5	5.2	1.9
MSCI Emerging Markets	1,355	5.5	12.6	-6.3	-6.3	-1.9	-1.8	1.0	2.2	3.3	4.6	3.7
Total Return		5.9	13.4	-5.2	-5.2	0.8	1.0	3.9	5.0	6.2	7.4	6.5
MSCI EAFE	2,424	1.8	9.6	-8.3	-8.3	-3.7	-3.0	-0.3	1.1	5.4	2.0	-0.1
Total Return		2.0	10.5	-6.7	-6.7	-0.9	0.1	2.9	4.3	8.9	5.3	2.9
MSCI Far East	4,507	-0.3	6.4	-4.8	-4.8	1.0	-1.7	1.8	2.7	6.4	3.0	-0.4

Commodities	Price as of 30-Jun-20	-1 Month	-3 Months	-6 Months	-12 Months	YTD (%)
Gold Spot (US$/oz)	1,781	1,730	1,577	1,517	1,409	17.4%
Silver (US$/oz)	18.21	17.87	13.97	17.85	15.31	2.0%
Brent Crude Oil	41.15	35.33	22.74	66.00	66.55	-37.7%
West Texas Intermediate Oil	39.27	35.49	20.48	61.06	58.47	-35.7%
NYMEX Natural Gas	1.75	1.85	1.64	2.19	2.31	-20.0%
Spot Nat. Gas (AECO Hub - USD)	1.41	1.44	1.31	1.71	0.42	-17.5%
Lumber	435.70	367.10	278.50	405.30	378.90	7.5%
Copper 3-month	2.73	2.44	2.25	2.80	2.72	-2.6%
Nickel 3-month	5.81	5.59	5.21	6.36	5.76	-8.7%
Aluminum 3-month	0.73	0.70	0.69	0.82	0.82	-10.5%
Zinc 3-month	0.93	0.90	0.86	1.03	1.13	-9.9%

Yields	Yields as of 30-Jun-20	-1 Month	-3 Months	-6 Months	-12 Months
Canada 3-month T-Bills	0.20	0.18	0.21	1.66	1.66
Canada 5yr Notes	0.37	0.40	0.59	1.69	1.39
Canada 10yr Notes	0.53	0.53	0.70	1.70	1.47
Canada 30yr Bonds	0.99	1.12	1.30	1.76	1.68
U.S. 3-month T-Bills	0.13	0.12	0.06	1.54	2.09
U.S. 5yr Notes	0.29	0.30	0.38	1.69	1.77
U.S. 10yr Notes	0.66	0.65	0.67	1.92	2.01
U.S. 30yr Bonds	1.41	1.41	1.32	2.39	2.53

Currencies	Price	1 Month	3 Months	6 Months	12 Months	YTD
		Performance (% Change)				
CAD/USD	0.7366	1.5	3.6	-4.3	-3.7	-4.3
EURO/CAD	1.5251	-0.4	-1.7	4.7	2.7	4.7
EURO/USD	1.1234	1.0	1.8	0.2	-1.1	0.2
USD/YEN	107.9300	0.2	0.4	-0.6	-0.3	-0.6
Trade Weighted U.S. Dollar	97.3910	-1.0	-1.7	1.0	1.3	1.0

Strategic Asset Allocation (in C$) (Global Equity/Cdn. Equity/Bonds/Cash)		1 Month	3 Months	6 Months	12 Months	YTD
		Performance (% Change - Before Fees)				
Capital Preservation	(5/15/60/20)	1.5%	6.8%	3.5%	5.1%	3.5%
Income	(10/20/60/10)	1.6%	8.4%	3.0%	5.2%	3.0%
Income & Growth	(20/25/50/5)	1.7%	10.1%	1.8%	5.0%	1.8%
Growth	(40/25/35/0)	1.7%	12.2%	0.4%	5.2%	0.4%
Aggressive Growth	(60/25/15/0)	1.6%	14.0%	-1.2%	5.2%	-1.2%

Bond Returns	1 Month	3 Months	6 Months	12 Months	YTD
	Total Return % Change				
FTSE Canada Bond Universe Index	1.7	5.9	7.5	7.9	7.5
FTSE Canada Long Term Bond Index	3.5	11.2	11.4	12.0	11.4
FTSE Canada Mid Term Bond Index	1.0	4.8	8.3	8.1	8.3
FTSE Canada Short Term Bond Index	0.5	2.1	4.0	4.5	4.0

S&P/TSX GICs Sectors	1 Month	3 Months	6 Months	12 Months	YTD	Index Weight (%)
	Price Performance (% Change)					
Consumer Discret.	1.7	32.0	-11.9	-12.4	-11.9	3.4
Consumer Staples	-0.6	11.4	0.6	1.6	0.6	4.3
Energy	-5.3	9.3	-32.4	-28.5	-32.4	12.4
Integrated Oil & Gas	-1.2	13.9	-46.6	-44.6	-46.6	2.2
Oil&Gas Expl. & Prod.	-4.9	29.6	-46.7	-41.8	-46.7	1.9
Pipeline	-6.3	2.7	-21.7	-16.3	-21.7	7.8
Financials	3.4	4.8	-18.2	-14.6	-18.2	28.9
Banks	3.1	3.6	-17.7	-17.1	-17.7	19.4
Insurance	6.6	5.8	-25.9	-16.7	-25.9	4.1
REITs	2.8	10.2	-22.0	-19.2	-22.0	3.1
Health Care	-3.5	9.6	-31.3	-54.9	-31.3	1.1
Industrials	1.3	12.8	-4.6	-1.9	-4.6	11.5
Information Tech.	13.5	68.2	61.8	85.1	61.8	10.3
Materials	4.3	41.6	14.5	23.1	14.5	14.7
Gold	4.3	50.6	34.2	58.8	34.2	10.8
Base Metals	12.1	40.7	-31.3	-47.6	-31.3	0.4
Fertilizers	-7.2	-9.3	-29.8	-37.7	-29.8	1.1
Communication Serv.	-3.6	-2.1	-11.2	-10.5	-11.2	5.4
Utilities	-1.0	2.7	-3.7	5.9	-3.7	5.0

All data is sourced from Bloomberg unless otherwise noted. Data as of June 30, 2020.
Data source: Bloomberg

CIBC World Markets Interest Rate Outlook

Interest Rates (%) – End of Qtr		June 24, 2020	Sep/20	Dec/20
3-month T-Bill	Canada	0.20	0.25	0.25
	U.S.	0.14	0.20	0.20
10-year Gov't Bond Yield	Canada	0.54	0.70	0.75
	U.S.	0.68	0.70	0.80
US$/C$		0.73	0.72	0.72

Source: CIBC World Markets Inc.

CIBC World Markets Economic Outlook

Economic Outlook		2019A	2020F	2021F
Real GDP Growth (% Chg)	Canada	1.7	-7.1	5.7
	U.S.	2.3	-6.2	5.5
Consumer Price Index (% Chg)	Canada	1.9	0.7	1.9
	U.S.	1.8	0.9	2.1

Source: CIBC World Markets Inc.

PRICE TARGET CALCULATIONS

Canadian Tire Corporation, Ltd. (CTC.A): CIBC analyst Mark Petrie's price target is based on a net asset value-type approach. He uses a P/E multiple of 7x on his 2021 EPS estimate for the Financial Services segment. He has used the CIBC Real Estate research team's $14.75 price target for CT REIT to value the REIT. For the Retail segment, he has used an EV/EBITDA multiple of 6x on his 2021 EBITDA estimate.

CT Real Estate Investment Trust (CRT.UN): CIBC analyst Sumayya Syed's price target is 5% below her $15.50 net asset value estimate, and implies a multiple of 12.5x-13.0x on her 2020 FFO estimate.

Restaurant Brands International Inc. (QSR): CIBC analyst Mark Petrie derives price target has been derived by applying a target multiple of 22x to his 2021 EPS estimate.

DISCLOSURES AND DISCLAIMERS

Important Disclosure Footnotes for Companies Mentioned in this Report that Are Covered by CIBC World Markets Corp./Inc.:

Stock Prices as of 06/24/2020:

Canadian Tire Corporation, Ltd. (2a, 2e, 2g, 6c, 7, 13) (CTC.A-TSX, C$117.95)

CT Real Estate Investment Trust (2a, 2c, 2g, 7) (CRT.UN-TSX, C$13.69)

Restaurant Brands International Inc. (2g, 6c, 7) (QSR-NYSE, US$54.42)

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Abbreviation	Rating	Description
Stock Ratings		
OP	Outperformer	Stock is expected to outperform the sector during the next 12-18 months.
NT	Neutral	Stock is expected to perform in line with the sector during the next 12-18 months.
UN	Underperformer	Stock is expected to underperform the sector during the next 12-18 months.
NR	Not Rated	CIBC does not maintain an investment recommendation on the stock.
R	Restricted	CIBC World Markets is restricted*** from rating the stock.
Sector Weightings**		
O	Overweight	Sector is expected to outperform the broader market averages.
M	Market Weight	Sector is expected to equal the performance of the broader market averages.
U	Underweight	Sector is expected to underperform the broader market averages.
NA	None	Sector rating is not applicable.

**Broader market averages refer to the S&P 500 in the U.S. and the S&P/TSX Composite in Canada.
"Speculative" indicates that an investment in this security involves a high amount of risk due to volatility and/or liquidity issues.
***Restricted due to a potential conflict of interest.
"CC" indicates Commencement of Coverage. The analyst named started covering the security on the date specified.

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