



INSIDE THIS ISSUE

INVESTING IN EMERGING MARKETS 2

CANADIAN EQUITIES: QUEBECOR INC. TORONTO-DOMINION BANK 3

MARKET RETURN DATA 4

CIBC WORLD MARKETS INC. INTEREST RATE OUTLOOK 5

CIBC WORLD MARKETS INC. ECONOMIC OUTLOOK

COMPANY DISCLOSURES AND DISCLAIMERS

CIBC WORLD MARKETS INC. RESEARCH RATING SYSTEM 6

CIBC WORLD MARKETS INC. DISCLAIMERS

See Disclosures And Disclaimers at the end of this report for disclosures, including potential conflicts of interest. Complete research on any equities mentioned in this report is available from your Investment Advisor.

Unless otherwise noted, all prices quoted in this report are as of the close of markets on September 24, 2018.

October 2018

Q4 OUTLOOK: A NEW TRADE DEAL REACHED

It happened at the eleventh hour. After months of aggressive negotiations, a new trade agreement between the U.S., Canada, and Mexico was reached on September 30, 2018, mere hours ahead of a deadline. Despite the dramatic negotiations, we were of the view that a good deal would be reached, in part, thanks to the tremendous efforts of Prime Minister Justin Trudeau and Minister of Foreign Affairs Chrystia Freeland. Certainly, trade tensions have weighed on Canadian equities; after the first three quarters of 2018, the U.S. S&P 500 Index has rallied 10.2% on a total return basis, while the S&P/TSX Composite Index has edged higher by a more modest 1.9%. Threats of economic sanctions by the U.S. towards Canada and other trading partners made investors more reluctant to invest in these countries in fear that any products produced in these countries and exported to the U.S. would be hit with significant tariffs. Given that we now have a new trade deal in place, how should we position our portfolios from a sector perspective?

Q4 Sector Strategy

	Canada	U.S.
Financials	O	O
REITs	M	M
Energy	O	O
Materials	M	M
Industrials	M	M
Consumer Discretionary	M	M
Consumer Staples	M	M
Telecom Services	M	M
Technology	M	M
Utilities	U	U
Health Care	M	O

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

In the September 2016 issue of the Monthly World Markets Report, we suggested that sovereign yields might not only be stabilizing from the multi-decade downtrend but could actually rise as a result of strengthening global growth (which in turn could bolster inflation expectations). We also suggested being cautious on defensive sectors such as utilities and to add exposure to cyclical sectors. In the following month's issue, ahead of the U.S. presidential elections, we recommended overweighting the industrial and technology sectors on both sides of the border and underweighting utilities.

This summer, we upgraded our view on the Canadian and U.S. energy sectors. Our bullish view was based on both endogenous (robust global demand and falling inventories) and exogenous (geopolitical risks, Iran sanctions and OPEC curtailments) factors. We would continue to suggest holding large cap, high quality energy companies ranging from infrastructure (pipeline, storage and processing) to integrated (companies with exploration, production and refining operations) to large cap energy exploration and production (E&P) companies with strong balance sheets. We would also generally continue to avoid small-cap energy E&P names.

We also remain bullish on the financial sector. Strong job growth is resulting in rising wages, which together with robust oil prices, should result in higher inflation expectations and cause longer-term sovereign bond yields to rise further. This is positive for banks as the difference between interest received on loans compared to what is paid for deposits (referred to as net interest spread) increases, bolstering profitability. For insurance companies, reinvestment risk (the risk of having to reinvest proceeds from a maturing security at lower rates) decreases as longer-term yields rise. As such, we would suggest overweighting the financial sectors in both Canada and the U.S.

Finally, we recommend overweighting the U.S. health care sector. Beyond favorable global demographics, health care companies continue to push forward with impressive advances, such as immuno-oncology. We believe these breakthrough therapies will garner strong demand and command premium pricing.

YOGESH OZA, M.Econ, CFA  
Investment Strategy Group

## INVESTING IN EMERGING MARKETS

### Emerging markets, not emerging market

Argentina and Turkey's currency crises have been featured prominently in headlines giving rise to anxiety and concern for emerging market (EM) equities. While these countries draw a great deal of attention, Argentina and Turkey constitute only a small portion of emerging market investment. Turkey accounts for 0.5% of the MSCI EM Index and Argentina isn't even included in the index because it's classified as a frontier market, a lower classification than emerging market. These countries have serious issues to tackle before investors regain confidence in their financial markets but the risk of their shortfalls spreading to other EM countries is small.

It's important to consider emerging markets as separate markets from each other with their own political climates, macroeconomic conditions, and secular trends. EM equity managers are experts at understanding developing countries and their listed companies and can construct portfolios with balanced risk exposures.

### Think long term

China is currently engaged in a trade war with the United States, dampening its growth prospects along with other emerging Asian countries. It's impossible to say for how long the trade war will go on, but China, like other emerging markets, should be considered with a long-term investment horizon in mind; 10 years into the future or longer.

MSCI EM Index has an annualized standard deviation of 19.75% between Jan 1, 1988 and August 31, 2018 compared to MSCI World Index's 12.5%. EM equity is a historically volatile asset class so tactically moving in and out of it is risky as timing these markets is difficult. Since 1988, the MSCI EM Index has outperformed many other major indices but lost half its value in just over 12 months in 1997-1998 and again during the 2008 financial crisis.

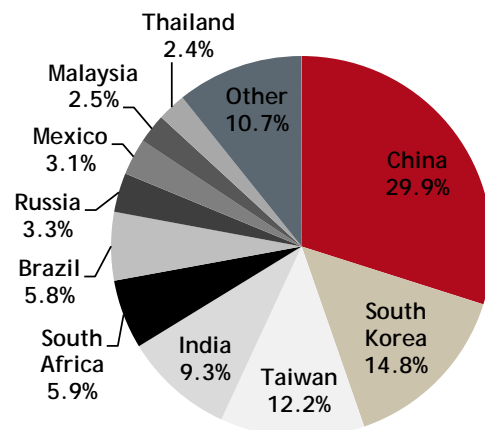
### Invesco Emerging Markets Class

Invesco Emerging Markets Class is managed by Jeff Feng out of Hong Kong and Matt Peden who is based in Atlanta, Georgia. Jeff Feng and his team took over the portfolio on April 5, 2013 but have been working together for nearly a decade. The team includes three other EM equity analysts with focuses in South East Asia, Latin America and China.

The team focuses on longer-term secular trends in making investment decisions and tends to avoid making shorter-term macro calls. Like most EM funds, it does not hedge currencies due to the high carry costs from interest rate differentials and the broad basket of currencies that would need to be managed.

Outside of emerging markets, Invesco EM invests a maximum of 20% in frontier markets and 10% in developed countries. Compared to its peers, the fund tends to overweight Asia, which isn't surprising given the lead portfolio manager is based in Hong Kong. China is a large part of the portfolio at 29.2% but the MSCI EM Index allocates a similar weight to the country at 29.9% as of the end of August.

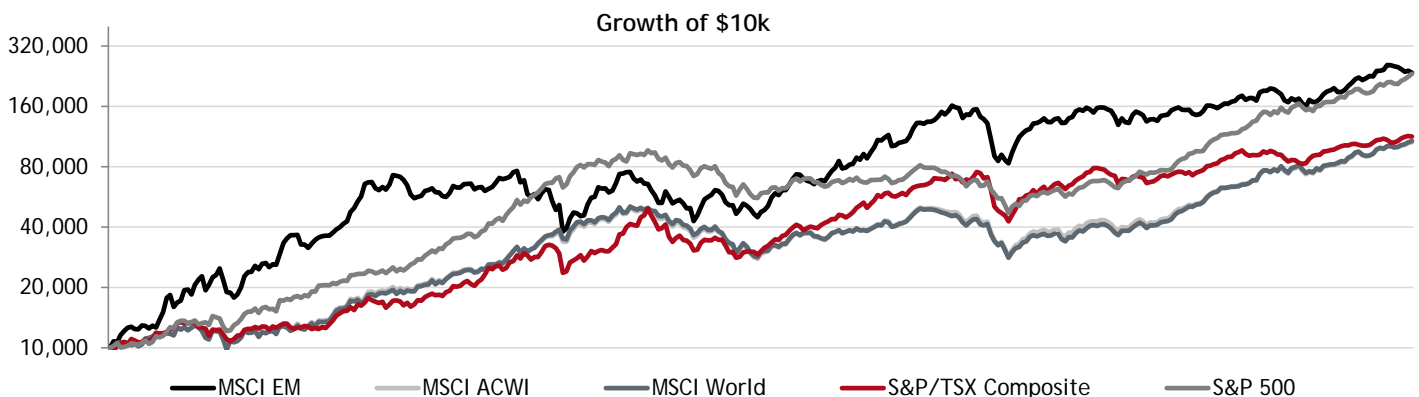
MSCI EM Index Country Weights



Source: Morningstar Direct. As at August 31, 2018

Invesco EM's management expense ratio (MER) is 1.41%, down from 1.68% a year ago. When looking at the cost of owning this fund, it's important to remember the MER is a backward-looking metric and describes what an investor would have paid if they held it over the course of the last year. Invesco has made substantial cuts to the fees on the Series F as assets have increased to bring costs in line with its peers.

**DANIEL GODDARD**  
Investment Strategy Group



Source: Morningstar Direct. All in CAD terms.

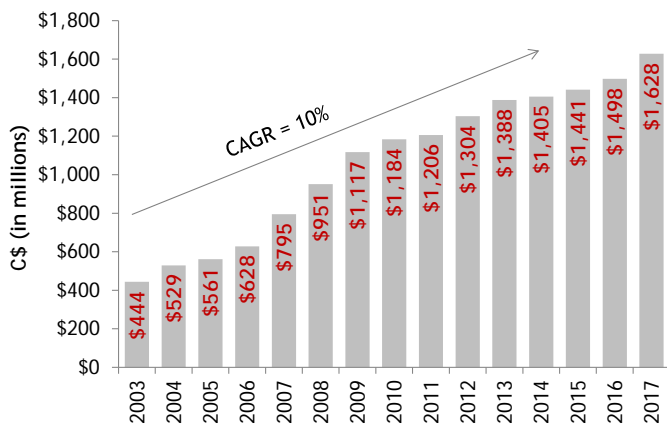
## CANADIAN EQUITIES

### Quebecor Inc. (QBR.B, \$25.73, Outperformer) Price Target: \$32.00

Quebecor is a holding company with a 100% stake in Quebecor Media, which owns three operating segments: Telecommunications (Videotron), Media (TVA Group, JdeM, JdeQ, QMI Agency) and Sports and Entertainment.

Quebecor remains one of CIBC analyst Bob Bek's top picks because of the underlying strength in its businesses, growing free cash flow profile, solid execution, resilience against competitive threats, and valuation discount. Despite being one of the strongest-performing cable companies in North America, the company's shares are trading at 7.5x 2019E EBITDA compared to its larger Canadian cable peers at 8.0x. The telecommunications business, Videotron, has been a bright spot for the company, generating industry-leading operating margins with a strong brand positioning in Quebec. Momentum in Quebecor's wireless segment remains strong, with the telecom unit posting solid subscriber additions of 31,900 and average revenue per user (ARPU) growth of 0.7% year over year in the latest quarterly results. Videotron continues to invest in growth projects, one being an Internet Protocol Television project (IPTV) in partnership with Comcast, thus enabling it to offer its customers the best television experience. The company expects its wireless segment to be a driver of growth in the next few years due to Videotron's operating leverage.

#### Quebecor Media EBITDA Growth Trend



Source: Company reports, CIBC World Markets Inc.

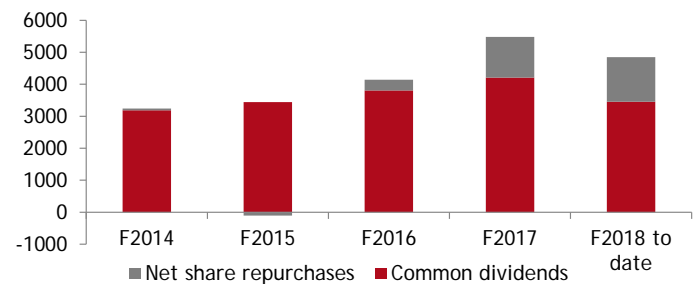
On June 22, Quebecor became the sole owner of Quebecor Media Inc. (QMI), which has been a meaningful catalyst for the shares. This deal eliminated the holding company discount, reduced the complexity in the corporate structure and provided Quebecor complete control of the operating company and full access to its attractive and growing free cash flow profile. The company announced a new dividend policy of 30%-50% of free cash flow to be achieved over the next four years, paving the way to becoming one of the fastest dividend-growing stocks in the industry. The shares offer investors a good free cash flow yield and an increasing dividend at an attractive valuation.

### Toronto-Dominion Bank (TD, \$79.40, Outperformer) Price Target: \$84.00

As the Bank of Canada continues to signal gradual benchmark interest rate hikes over the near term, the Canadian financial sector stands to benefit from expanding net interest margins. Toronto-Dominion Bank (TD Bank) with roughly a third of its business in the U.S. is poised to benefit even more given that the U.S. Federal Reserve is hinting at rate hikes at a faster pace in response to the stronger inflation stateside. Corporate tax cuts in the U.S. have already been, and will continue to be, a boon to the company's profits, owing to its U.S. retail banking division and its part ownership of the TD Ameritrade brokerage business.

TD Bank offers an attractive dividend yield of 3.4% on its common shares. The company has long maintained a reputation of growing its dividend, which has increased at a compound annual growth rate of almost 10% over the last five years. The company also returns a significant amount of cash to shareholders through share buybacks, having spent about \$1.4 billion in share repurchases (net of issuances) thus far in fiscal 2018 and about \$1.3 billion in fiscal 2017.

#### Total Cash Returned To Common Shareholders (in millions of CAD)



Source: Company reports

Among all the Canadian banks, TD Bank has one of the strongest Common Equity Tier 1 Capital (CET1) ratios, which CIBC analyst Robert Sedran estimates to be about 11.5% on an adjusted basis. Assuming the company wishes to maintain a CET1 ratio of at least 10.7%, Mr. Sedran estimates that TD Bank holds excess capital of about \$3.4 billion readily available to be deployed for strategic acquisitions. The company recently purchased asset manager Greystone Managed Investments for \$792 million (partly paid for in stock), making TD Bank's asset management division the largest in Canada. The new unit is expected to be accretive to earnings within three years and CEO Bharat Masrani called the acquisition "a significant new growth lever" for the company's private bank.

PUJA GHOSH, MBA, MSc. & JOHNNY TAM, MASc, CFA  
Investment Strategy Group

Company Name	Symbol	Stock Rating	Market Cap	Price 24-Sep-18	Price Target	Earnings Per Share (EPS)			P/E 2018E	Dividend Yield
						2017A	2018E	2019E		
Quebecor Inc.	QBR.B	OP	\$6.2B	\$25.73	\$32.00	\$1.35	\$1.80	\$1.86	14.3x	0.9%
Toronto-Dominion Bank	TD	OP	\$145.2B	\$79.40	\$84.00	\$5.54	\$6.38	\$6.90	12.4x	3.4%

A - Actual for the fiscal year; E - Estimate for the fiscal year. For a full description of the CIBC World Markets Inc. Research Rating System, please see page 6.

## MARKET RETURN DATA

North American Indices						Price Performance (% Change)						
	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
S&P/TSX Composite	16,073	-1.2	-1.3	4.6	-0.8	2.8	4.5	6.5	4.7	3.2	5.3	5.4
Total Return		-0.9	-0.6	6.2	1.4	5.9	7.5	9.7	7.8	6.3	8.2	8.0
S&P 500 Index	2,914	0.4	7.2	10.3	9.0	15.7	15.9	14.9	11.6	9.6	7.4	5.4
Total Return		0.6	7.7	11.4	10.6	17.9	18.3	17.3	13.9	12.0	9.7	7.4
Dow Jones Industrial Average	26,458	1.9	9.0	9.8	7.0	18.1	20.2	17.6	11.8	9.3	7.2	6.3
Total Return		2.0	9.6	11.0	8.8	20.8	23.1	20.5	14.6	12.2	10.0	8.8
Nasdaq Composite Index	8,046	-0.8	7.1	13.9	16.6	23.9	23.1	20.3	16.4	14.4	10.6	8.1

International Indices						Price Performance (% Change)						
	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
Bloomberg Euro 500	258	0.3	0.8	3.2	-1.2	-1.1	5.9	3.2	4.0	3.6	3.6	2.1
FTSE Eurotop 100	2,878	1.0	0.8	2.9	-3.4	-3.4	4.2	1.8	2.6	2.4	2.8	1.2
FTSE 100 (England)	7,510	1.0	-1.7	6.4	-2.3	1.9	4.3	7.4	3.1	4.4	4.1	2.0
Dax (Germany)	12,247	-0.9	-0.5	1.2	-5.2	-4.5	7.9	8.2	7.3	7.7	9.2	5.2
CAC 40 (France)	5,493	1.6	3.2	6.3	3.4	3.1	11.1	7.2	5.8	3.1	3.8	2.7
MSCI World	2,184	0.4	4.5	5.7	3.8	9.2	12.5	11.3	7.2	6.3	6.0	4.2
MSCI Emerging Markets	1,048	-0.8	-2.0	-10.5	-9.5	-3.1	7.7	9.8	1.2	2.9	7.0	7.3
Total Return	2,335	-0.5	-0.9	-8.7	-7.4	-0.4	10.6	12.8	4.0	5.8	10.0	10.2
MSCI EAFE	1,974	0.6	0.8	-1.6	-3.8	0.0	7.7	6.3	1.7	2.4	4.0	2.7
Total Return	8,055	0.9	1.4	0.4	-1.0	3.2	11.1	9.8	4.9	5.9	7.3	5.6
Nikkei 225 (Japan)	24,120	5.5	8.1	12.4	6.0	18.5	21.1	11.5	10.8	7.9	5.9	3.0
Hang Seng (Hong Kong)	27,789	-0.4	-4.0	-7.7	-7.1	0.9	9.2	10.1	4.0	4.4	6.2	6.5
ASX 200 (Australia)	6,208	-1.8	0.2	7.8	2.3	9.3	6.9	7.3	3.5	3.0	4.6	4.6
Taiwan Weighted	11,006	-0.5	1.6	0.8	3.4	6.0	9.6	10.4	6.1	6.8	4.6	2.4
Sensex 30 (India)	36,227	-6.3	2.3	9.9	6.4	15.8	14.0	11.5	13.3	10.9	15.0	13.1

Index Returns in Canadian Dollars						Price Performance (% Change)						
	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
S&P/TSX Composite	16,073	-1.2	-1.3	4.6	-0.8	2.8	4.5	6.5	4.7	3.2	5.3	5.4
Total Return		-0.9	-0.6	6.2	1.4	5.9	7.5	9.7	7.8	6.3	8.2	8.0
S&P 500 Index	3,761	-0.6	5.4	10.4	11.9	19.7	15.0	13.7	16.8	11.7	7.1	4.5
Total Return		-0.4	5.9	11.5	13.5	22.0	17.3	16.1	19.2	14.1	9.3	6.5
Dow Jones Industrial Average	34,152	0.9	7.1	9.8	9.9	22.2	19.2	16.4	17.0	11.5	6.9	5.4
Total Return		0.9	7.8	11.1	11.8	25.0	22.1	19.3	19.8	14.4	9.6	7.9
Russell 2000	2,190	-3.5	1.5	11.0	13.5	17.8	15.4	14.3	14.6	11.7	8.3	7.1
Nasdaq Composite Index	10,386	-1.8	5.3	14.0	19.7	28.2	22.0	19.1	21.7	16.6	10.2	7.2
Bloomberg Euro 500	387	-0.7	-1.6	-2.8	-1.9	0.6	6.7	3.4	5.5	3.5	3.2	N/A
MSCI World	2,819	10.2	9.6	9.0	9.4	13.0	11.6	10.2	12.1	8.4	5.7	3.4
MSCI Emerging Markets	1,353	-1.8	-3.7	-10.4	-7.1	0.3	6.8	8.7	5.8	4.9	6.7	6.4
Total Return		-1.5	-2.6	-8.7	-4.9	3.0	9.7	11.6	8.8	7.8	9.7	9.2
MSCI EAFE	2,548	-0.4	-1.0	-1.5	-1.2	3.5	6.8	5.2	6.3	4.4	3.6	1.8
Total Return		-0.1	-0.3	0.5	1.7	6.9	10.2	8.6	9.7	7.9	7.0	4.7
MSCI Far East	4,685	0.9	0.5	-1.0	1.5	10.6	8.6	8.7	9.3	6.2	3.7	2.9

Commodities							Yields					
	30-Sep-18	-1 Month	-3 Months	-6 Months	-12 Months	YTD		30-Sep-18	-1 Month	-3 Months	-6 Months	-12 Months
Gold Spot (US\$/oz)	1192.50	1201.40	1253.16	1325.00	1280.15	-8.48	Canada 3-month T-Bills	1.59	1.53	1.26	1.10	1.00
Silver (US\$/oz)	14.70	14.54	16.12	16.37	16.65	-13.24	Canada 5yr Notes	2.34	2.17	2.07	1.97	1.75
Brent Crude Oil	82.72	77.42	79.44	70.27	57.54	23.70	Canada 10yr Notes	2.43	2.23	2.17	2.09	2.10
West Texas Intermediate Oil	73.25	69.80	74.15	64.94	51.67	21.23	Canada 30yr Bonds	2.42	2.25	2.21	2.23	2.47
NYMEX Natural Gas	3.01	2.92	2.92	2.73	3.01	1.86	U.S. 3-month T-Bills	2.20	2.09	1.91	1.70	1.04
Spot Nat. Gas (AECO Hub - USD)	1.68	0.54	1.34	1.64	0.50	-30.13	U.S. 5yr Notes	2.95	2.74	2.74	2.56	1.94
Lumber	344.40	437.60	569.30	515.70	402.20	-23.13	U.S. 10yr Notes	3.06	2.86	2.86	2.74	2.33
Copper 3-month	2.84	2.71	3.01	3.05	2.94	-13.65	U.S. 30yr Bonds	3.21	3.02	2.99	2.97	2.86
Nickel 3-month	5.72	5.81	6.76	6.03	4.76	-1.25						
Aluminum 3-month	0.94	0.96	0.97	0.91	0.95	-9.08						
Zinc 3-month	1.18	1.11	1.29	1.49	1.43	-21.30						

Currencies							S&P/TSX GICs Sectors					
	Price	1 Month	3 Months	6 Months	12 Months	YTD		1 Month	3 Months	6 Months	12 Months	YTD
CAD/USD	0.7747	1.0%	1.7%	-0.1%	-3.4%	-2.6%	Consumer Discretionary	-4.6	-8.4	-2.9	-2.4	-6.2
EURO/CAD	1.4979	-1.0%	-2.4%	-5.8%	1.7%	-0.7%	Consumer Staples	-0.4	-1.3	1.8	1.0	-4.6
EURO/USD	1.1604	0.0%	-0.7%	-5.8%	-1.8%	-3.3%	Energy	-3.6	-6.6	7.1	-4.2	-4.0
USD/YEN	113.7000	2.4%	2.7%	7.0%	1.1%	0.9%	Integrated Oil & Gas	-4.0	-5.3	14.5	13.5	9.7
Trade Weighted U.S. Dollar	95.1320	0.0%	0.7%	5.7%	2.2%	3.3%	Oil & Gas Expl. & Prod.	-1.7	-7.9	5.4	-4.4	-5.5
							Pipeline	-5.2	-8.2	2.4	-14.7	-12.5
							Financials	-0.2	3.0	4.0	4.4	-0.4
							Banks	0.0	4.0	4.6	7.1	1.5
							Insurance	-2.6	-2.6	-3.8	-6.6	-9.3
							REITs	-0.9	2.6	6.2	10.5	5.5
							Health Care	12.1	31.2	49.6	88.9	29.1
							Industrials	-0.1	5.2	14.8	15.7	11.3
							Information Technology	0.1	2.9	14.1	29.8	25.6
							Materials	-1.5	-13.2	-6.7	-6.9	-11.0
							Gold	-2.8	-21.1	-15.7	-23.3	-21.9
							Base Metals	4.5	-9.7	-11.7	0.1	-16.9
							Fertilizers	1.7	4.3	22.5	24.6	15.7
							Telecom Services	-1.7	1.2	1.8	-3.1	-6.1
							Utilities	-2.1	-2.9	-4.4	-9.7	-11.1

Strategic Asset Allocation (in C\$)						
(Global Equity/Cdn. Equity/Bonds/Cash)	Performance (% Change)					
	1 Month	3 Months	6 Months	12 Months	YTD	
Capital Preservation (5/15/60/20)	-0.7	-0.4	1.2	2.9	0.6	
Income (10/20/60/10)	-0.8	-0.3	1.8	3.9	1.1	
Income & Growth (20/25/50/5)	-0.8	0.1	2.8	5.5	2.1	
Growth (40/25/35/0)	-0.7	0.9	4.4	8.4	4.0	
Aggressive Growth (60/25/15/0)	-0.6	1.8	6.0	11.3	5.9	

Bond Returns					
	1 Month	3 Months	6 Months	12 Months	YTD
FTSE TMX Canada Bond Universe Index	-1.0	-1.0	-0.4	1.7	-0.4
FTSE TMX Canada Long Term Bond Index	-2.1	-2.4	-1.5	3.6	-1.5
FTSE TMX Canada Mid Term Bond Index	-0.9	-0.8	-0.5	0.6	-0.5
FTSE TMX Canada Short Term Bond Index	-0.2	0.0	0.3	0.8	0.5

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

## CIBC World Markets Interest Rate Outlook

Interest Rates (%) - End of Qtr		Sep 24, 2018	Dec/18	Mar/19
3-month T-Bill	Canada	1.56	1.70	1.75
	U.S.	2.19	2.25	2.35
10-year Gov't Bond Yield	Canada	2.45	2.55	2.65
	U.S.	3.09	3.10	3.30
US\$/C\$		0.77	0.76	0.76

Source: CIBC World Markets Inc.

## CIBC World Markets Economic Outlook

Economic Outlook		2017A	2018E	2019E
Real GDP Growth (% Chg)	Canada	3.0	2.0	1.8
	U.S.	2.2	2.8	2.2
Consumer Price Index (% Chg)	Canada	1.6	2.4	2.0
	U.S.	2.1	2.6	2.5

Source: CIBC World Markets Inc.

## PRICE TARGET CALCULATIONS

**Quebecor Inc. (QBR.B):** CIBC analyst Bob Bek derives his price target by using a net asset value (NAV) approach. He has applied his F2019 EBITDA estimates against Quebecor's Media segment using a 5.0x multiple, and the telecom unit using a multiple of 8.4x and added in Sports & Entertainment segment at an estimated \$100MM to arrive at a NAV.

**Toronto-Dominion Bank (TD):** CIBC analyst Rob Sedran calculates his price target by applying an 11.7x P/E multiple to his F2019E EPS of \$6.90.

## 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 09/21/2018:

Quebecor Inc. (2g, 7, 12) (QBR.B-TSX, C\$26.40)

Toronto-Dominion Bank (2a, 2c, 2e, 2g, 3a, 3c, 6b, 6c, 7) (TD-TSX, C\$79.73)

### Key To Important Disclosure Footnotes:

- 1 CIBC World Markets Corp. makes a market in the securities of this company.
- 2a This company is a client for which a CIBC World Markets company has performed investment banking services in the past 12 months.
- 2b CIBC World Markets Corp. has managed or co-managed a public offering of securities for this company in the past 12 months.
- 2c CIBC World Markets Inc. has managed or co-managed a public offering of securities for this company in the past 12 months.
- 2d CIBC World Markets Corp. has received compensation for investment banking services from this company in the past 12 months.
- 2e CIBC World Markets Inc. has received compensation for investment banking services from this company in the past 12 months.
- 2f CIBC World Markets Corp. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 2g CIBC World Markets Inc. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 3a This company is a client for which a CIBC World Markets company has performed non-investment banking, securities-related services in the past 12 months.
- 3b CIBC World Markets Corp. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.
- 3c CIBC World Markets Inc. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.
- 4a This company is a client for which a CIBC World Markets company has performed non-investment banking, non-securities-related services in the past 12 months.
- 4b CIBC World Markets Corp. has received compensation for non-investment banking, non-securities-related services from this company in the past 12 months.
- 4c CIBC World Markets Inc. has received compensation for non-investment banking, non-securities-related services from this company in the past 12 months.
- 5a The CIBC World Markets Corp. analyst(s) who covers this company also has a long position in its common equity securities.
- 5b A member of the household of a CIBC World Markets Corp. research analyst who covers this company has a long position in the common equity securities of this company.
- 6a The CIBC World Markets Inc. fundamental analyst(s) who covers this company also has a long position in its common equity securities.
- 6b A member of the household of a CIBC World Markets Inc. fundamental research analyst who covers this company has a long position in the common equity securities of this company.
- 6c One or more members of Investment Strategy Group who was involved in the preparation of this report, and/or a member of their household(s), has a long position in the common equity securities of this company.
- 7 CIBC World Markets Corp., CIBC World Markets Inc., and their affiliates, in the aggregate, beneficially own 1% or more of a class of equity securities issued by this company.
- 8 A partner, director or officer of CIBC World Markets Inc. or any analyst involved in the preparation of this research report has provided services to this company for remuneration in the past 12 months.



- 9 A senior executive member or director of Canadian Imperial Bank of Commerce ("CIBC"), the parent company to CIBC World Markets Inc. and CIBC World Markets Corp., or a member of his/her household is an officer, director or advisory board member of this company or one of its subsidiaries.
- 10 Canadian Imperial Bank of Commerce ("CIBC"), the parent company to CIBC World Markets Inc. and CIBC World Markets Corp., has a significant credit relationship with this company.
- 11 The equity securities of this company are restricted voting shares.
- 12 The equity securities of this company are subordinate voting shares.
- 13 The equity securities of this company are non-voting shares.
- 14 The equity securities of this company are limited voting shares.

### CIBC World Markets Research Rating System

Abbreviation	Rating	Description
<b>Stock Ratings</b>		
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.
<b>Sector Weightings**</b>		
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.

This report is issued and approved for distribution to clients in Canada by registered representatives of CIBC Wood Gundy, a division of CIBC World Markets Inc., Member of the Canadian Investor Protection Fund and Member of the Investment Industry Regulatory Organization of Canada, and by its affiliates via their registered representatives. This report is not authorized for distribution in the United States. This document and any of the products and information contained herein are not intended for the use of private investors in the United Kingdom.

This report is provided for informational purposes only 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.

The securities mentioned in this report may not be suitable for all types of investors. This report does not take into account the investment objectives, financial situation or specific needs of any particular client of CIBC Wood Gundy. Recipients should consider this report as only a single factor in making an investment decision and should not rely solely on investment recommendations contained herein, if any, as a substitution for the exercise of independent judgment of the merits and risks of investments. CIBC Wood Gundy suggests that, prior to making an investment decision with respect to any security recommended in this report, the recipient should contact one of our client advisers in the recipient's jurisdiction to discuss the recipient's particular circumstances. Non-client recipients of this report should consult with an independent financial advisor prior to making any investment decision based on this report or for any necessary explanation of its contents. CIBC Wood Gundy will not treat non-client recipients as its clients by virtue of their receiving this report. Past performance is not a guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance of any security mentioned in this report.

Information, opinions and statistical data contained in this report were obtained or derived from sources believed to be reliable, but CIBC Wood Gundy does not represent that any such information, opinion or statistical data is accurate or complete (with the exception of information contained in the Important Disclosures section of this report provided by CIBC World Markets or individual research analysts), and they should not be relied upon as such. All estimates, opinions and recommendations expressed herein constitute judgments as of the date of this report and are subject to change without notice.

Nothing in this report constitutes legal, accounting or tax advice. 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 on the tax consequences of investments. As with any investment having potential tax implications, clients should consult with their own independent tax adviser.

© 2018 CIBC World Markets Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets is prohibited by law and may result in prosecution.

CIBC Private Wealth Management consists of services provided by CIBC and certain of its subsidiaries, including CIBC Wood Gundy, a division of CIBC World Markets Inc. CIBC Private Wealth Management is a registered trademark of CIBC, used under license. "Wood Gundy" is a registered trademark of CIBC World Markets Inc.