

TRADE UPDATE

Decrease US Equity & Increase Fixed Income

July 22, 2025

Model Portfolio

On July 22, we made the following tactical trades to our Model Portfolio:

- **Trimmed** RBC Quant U.S. Dividend Leaders ETF (RUD)
- **Increased** CIBC Core Fixed Income Pool ETF (CCRE)

The U.S. market has seen a strong rebound since April 2025, with the S&P 500 rising 30% and the Nasdaq 100 climbing 39% (source Morningstar, Bloomberg), both indices reaching new record highs. While this rally is encouraging, it has pushed the equity portion of the portfolio above the target allocation, increasing exposure to market risk. Much of the market's optimism is based on strong economic data, positive earnings, and easing trade tensions, but with the good news already reflected in stock prices, the room for further upside may be limited. If upcoming earnings disappoint or new negative headlines emerge, markets could react sharply, especially during the historically weaker months of August and September.

Given this backdrop, we have taken steps to reduce risk and realign the portfolio. We trimmed our position in the RBC Quant U.S. Dividend Leaders ETF (RUD), locking in gains and reducing U.S. equity exposure. The proceeds were reallocated into the CIBC Core Fixed Income Pool ETF (CCRE), a more stable bond investment. This rebalancing brings the portfolio back in line with its intended mix of stocks and bonds, helping to lower overall volatility while protecting the gains made during the rally.

Disclaimer

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