Neighbourhood Dominion Lendy C E N T R E S

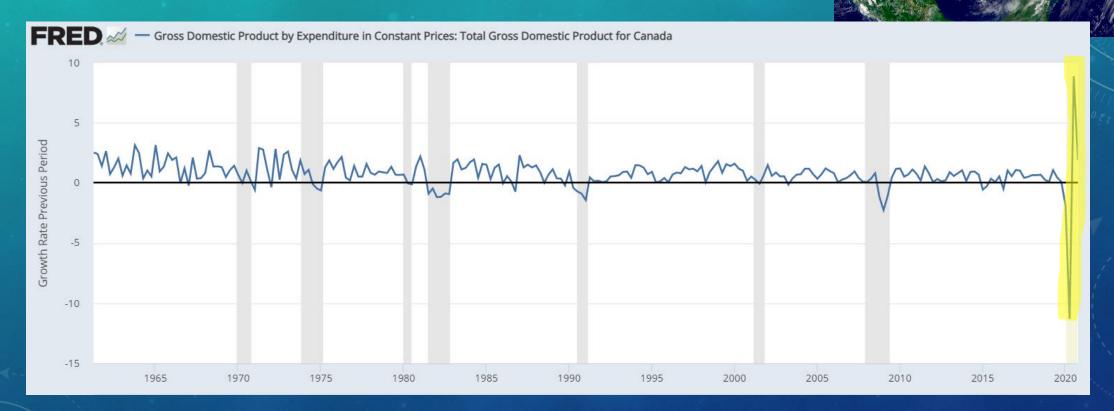
DEPENDENTLY OW

G

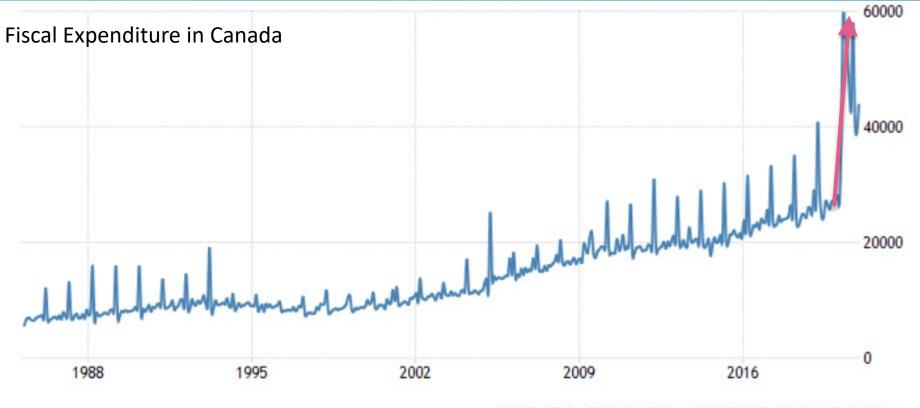
CANADA'S ECONOMY SET TO TAKE OFF

PER

NO ORDINARY RECESSION--PANDEMIC IS A NATURAL DISASTER



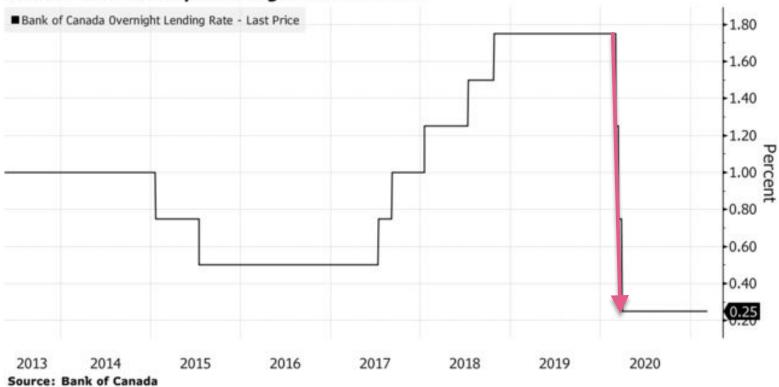
FEDERAL GOVERNMENT CUSHIONED THE BLOW



SOURCE: TRADINGECONOMICS.COM | DEPARTMENT OF FINANCE CANADA

BANK OF CANADA CAME TO THE RESCUE

Macklem Holds Low Bank of Canada keeps overnight rate at 0.25%

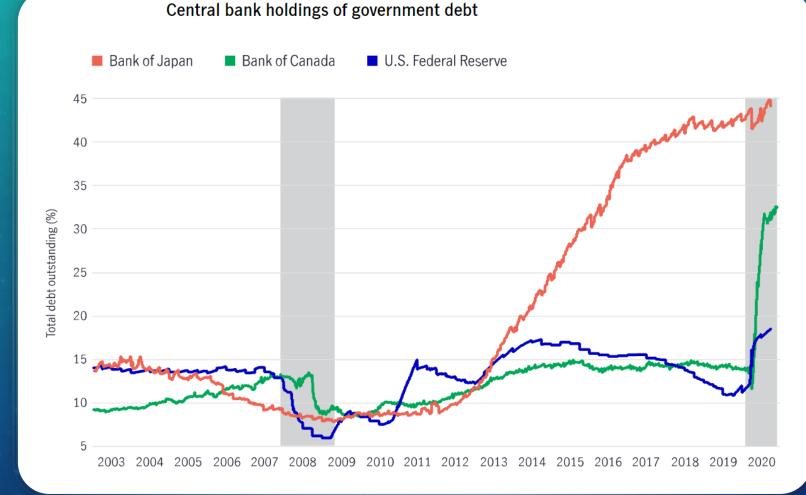


Bank Remains Dovish:

Will Keep Overnight Rate Low Until Near Full-Employment

BANK OF CANADA BUYING GOVERNMENT BONDS— AT LEAST \$4 BILLION PER WEEK



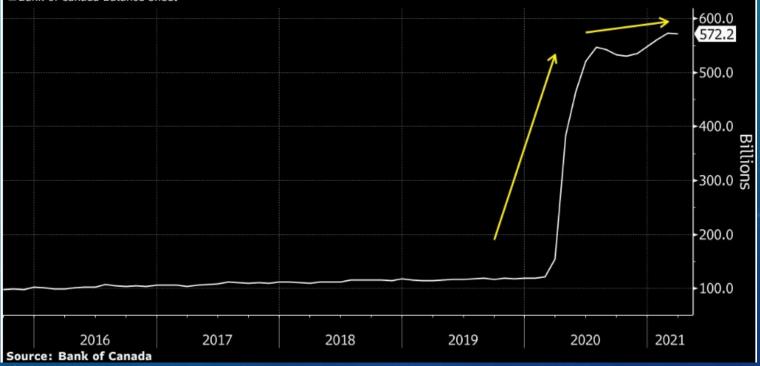


BANK OF CANADA IS WINDING DOWN EMERGENCY LIQUIDITY PROGRAMS

Buying Spree

Bank of Canada balance sheet expanded rapidly throughout pandemic

Bank of Canada Balance Sheet



Could Taper Bond Buying As Soon As April 21 Meeting

1 MILLION CANADIANS SUFFER INCOME LOSS

Canadian Unemployment Rate at 8.2%

14 12 10 10 8 6 2012 2014 2016 2018 2020 4

SOURCE: TRADINGECONOMICS COM

1 STATISTICS CANADA

Slack Remains

From A Low Of 5.6%

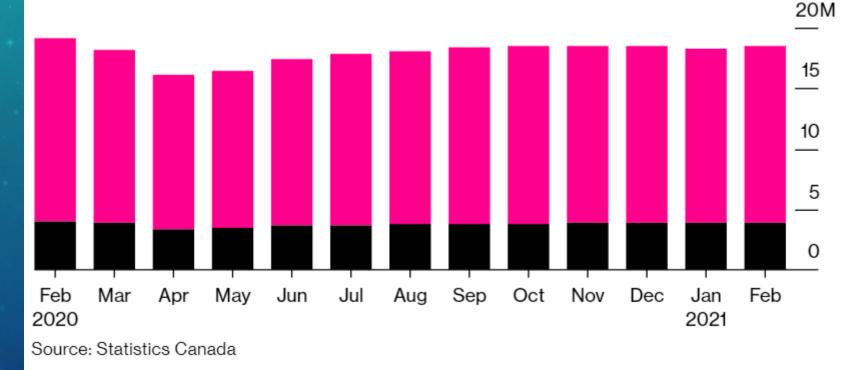


90% OF PANDEMIC LAYOFFS IN SERVICE SECTOR

Labor Recovers Unevenly

Service-industry layoffs account for nearly 90% of pandemic job losses

Goods Employment, Total Services



CLOSE-CONTACT JOBS STILL LANGUISH

One Year Later

Jobs in Canada's close-contact service industries are still suffering

-200

0

200K

-400

Change in Employment Since Feb. 2020

 Professional
 Educational
 Finance, insurance
 Public admin.
 Natural resources
 Utilities

Utilities Manufacturing Health care Agriculture Other services Transportation Construction Bus. Support Recreation, culture

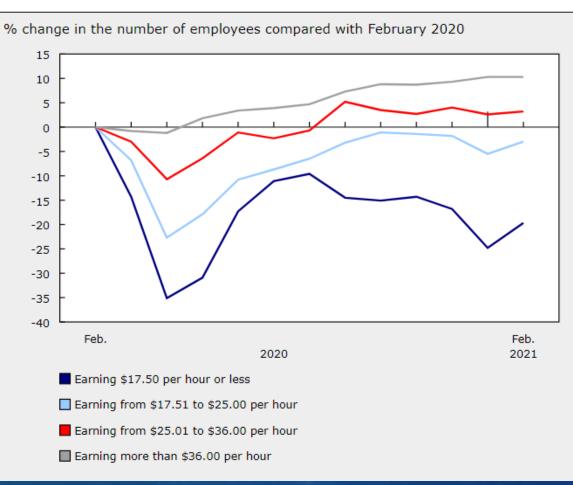
Source: Statistics Canada

All industries

-600

Retail & wholesale trade Accommodation, food

HARDEST HIT ARE LOW-INCOME CANADIANS



Help Explain Strength in Housing



HOME SALES AT RECORD HIGH NATIONALLY



HOUSE PRICES ACCELERATE AS SUPPLY REMAINS LOW









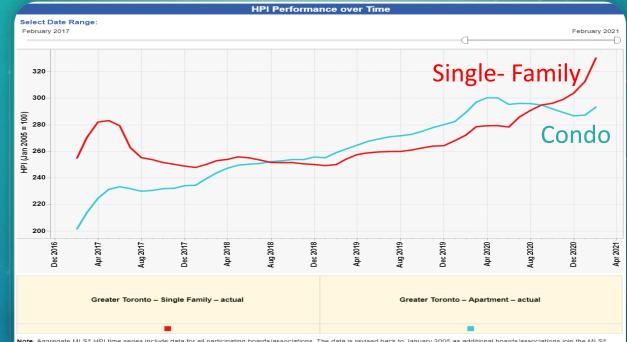
HOME CONSTRUCTION COSTS RISING SHARPLY

HOME PRICES SURGE IN ONTARIO

% 3-months % 3-years **ONTARIO** Feb '21 \$ % 1-month % 1-year \$678,100 6.05 11.82 33.56 43.54 Barrie \$1,022,000 2.90 5.46 13.26 37.09 Mississauga **Oakville-Milton** \$1,305,300 3.36 12.12 21.81 33.58 **Simcoe & District** \$494,700 3.08 11.77 32.36 56.79 **Greater Toronto** \$973,100 3.41 6.50 14.72 28.74 Woodstock \$520,400 5.62 10.93 36.49 69.68

MLS Home Price Index

GTA SINGLE-FAMILY HOUSE PRICES RISE FASTER THAN CONDOS



Note: Aggregate MLS* HPI time series include data for all participating boards/associations. The data is revised back to January 2005 as additional boards/associations join the MLS* HPI. Actual MLS* HPI data may follow a seasonal pattern. These patterns are removed from seasonally adjusted MLS* HPI data when they are statistically significant.

rce: The Canadian Real Estate Association



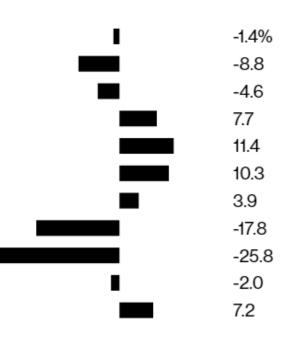


Shopping Habits Shift

Covid-19 reshaped how Canadians spent their money in 2020

Yearly Change in Retail Sales

Retail trade Motor vehicle and parts dealers Furniture and home furnishings stores Electronics and appliance stores Building material and garden equipment Food and beverage stores Health and personal care stores Gasoline stations Clothing and clothing accessories stores Sporting goods, hobby, book and music stores General merchandise stores



Source: Statistics Canada

CONSUMERS BUYING HOUSING-RELATED PRODUCTS

RICH GETTING RICHER

Wealth Keeps Climbing

The net worth of Canadian households rose 9% over the past year

Net Worth, Household Sector

C\$15T

RECORD-LOW MORTGAGE RATES SPUR BORROWING

1991

Source: Statistics Canada



Mortgage Binge Housing debt in Canada rises at fastest pace in a decade Yearly Change in Residential Mortgage Credit
Yearly Change in Non-Mortgage Credit
10
10
5
0

2010

2020

Bloomberg

2000

LOTS OF PENT-UP

Powder Keg

Canada household savings as percent of the economy highest since 1985

✓ Household Savings as % of Nominal GDP, Yearly Moving Sum



Source: Statistics Canada, Bloomberg calculations

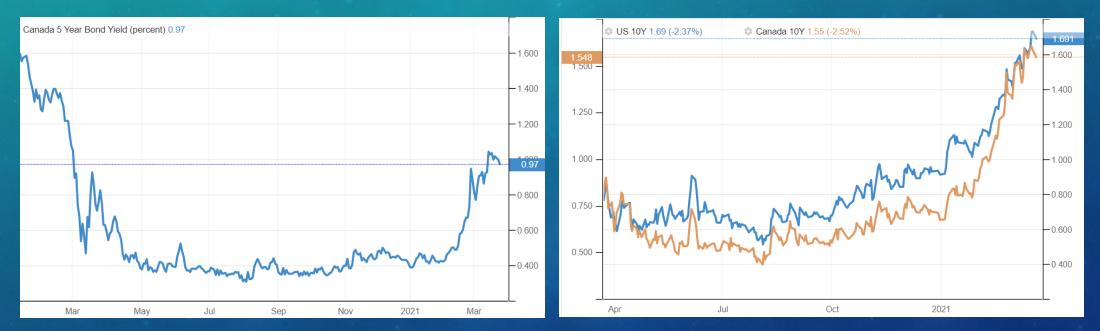
In 2020, For Average Canadian:

- Disposable Income up \$1800
- Spending down \$4,000

MARKET RATES RISE SHARPLY ON REFLATION CONCERN

Canada 5-Year Yield

US and Canada 10-Year Yield

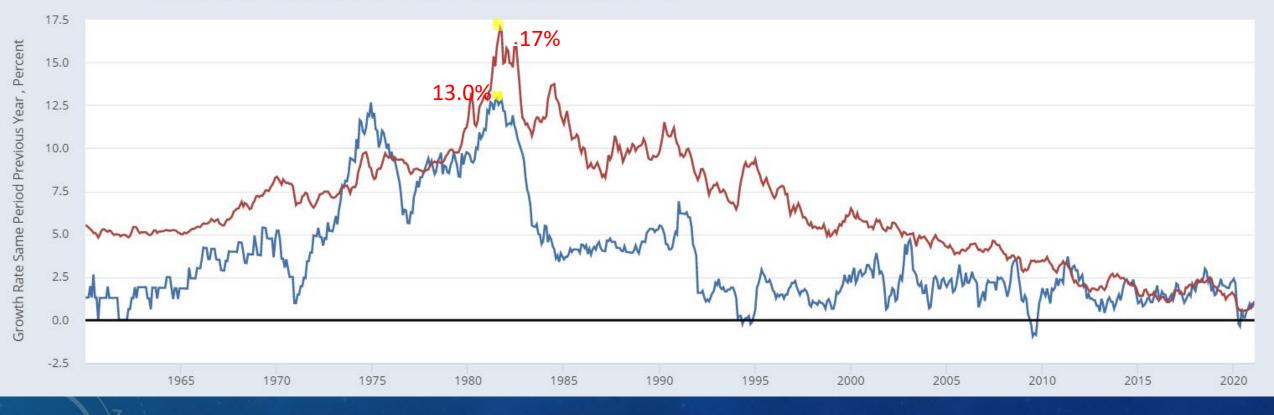


INFLATION AND INTEREST RATES PEAKED 40 YEARS AGO



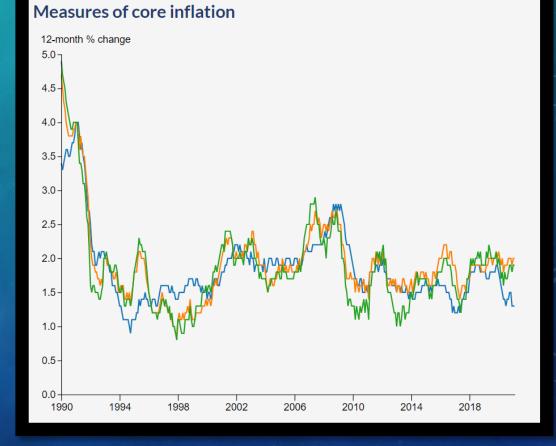
Consumer Price Index: Total All Items for Canada

- Long-Term Government Bond Yields: 10-year: Main (Including Benchmark) for Canada





BANK OF CANADA SAYS, "INFLATION NOT A PROBLEM"



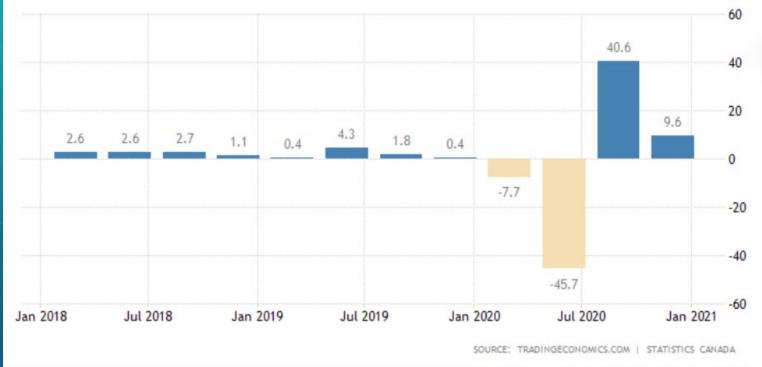
FISCAL STIMULUS COMING IN APRIL 19 BUDGET

Greece	1779	6
Italy	135%	
Portugal	117%	
United States	107%	
Belgium	99%	
France	98%	
Spain	96%	
Canada	90%	
Argentina	89%	
🛛 Sri Lanka	87%	
🖁 United Kingdom	81%	
Israel	60%	
Germany	60%	
China	51%	
Mexico	46%	
Australia	45%	

Debt to GDP ratio (select countries)



GROWTH IN Q4 BETTER THAN EXPECTED



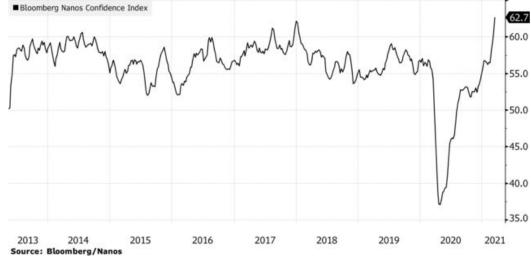
Stronger Growth Coming



COVID-19 VACCINE BREAKTHROUGH

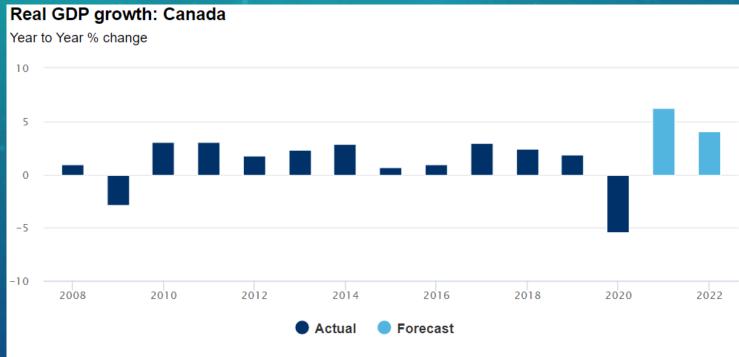
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VACCINE ROLLOUT DRIVE CONSUMER CONFIDENCE New Highs Canadian household sentiment reaches highest since 2009



CelebrateRecovery

OUTLOOK FOR STRONG GROWTH THIS YEAR



Source: Statistics Canada, RBC Economics