

# MARKET OVERVIEW AS AT DECEMBER 31, 2024

## MARKET INDEX HEAT MAP

### Fixed Income Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Money Market (FTSE)	0,33	1,08	2,31	4,92	4,92	3,81	2,48
Canada Short Term (FTSE)	0,38	0,65	4,06	5,70	5,70	2,13	2,13
Canada Long Term (FTSE)	-2,68	-0,80	4,91	1,35	1,35	-4,59	-1,49
Canada Universe (FTSE)	-0,69	-0,04	4,62	4,23	4,23	-0,60	0,79
Canada Corporate (FTSE)	-0,14	1,03	5,75	6,97	6,97	1,47	2,31
Canada Real Return Bonds (FTSE)	-0,76	0,31	4,55	3,73	3,73	-3,22	0,85
Canada Investment Grade	0,10	1,25	5,39	6,64	6,64	1,65	2,32
Canada High Yield	0,41	1,93	5,47	10,53	10,53	5,04	5,49
U.S. High Yield	-0,61	-0,22	4,69	6,65	6,65	1,67	2,37
Global Aggregate	-1,50	-2,00	2,68	2,37	2,37	-1,98	0,00
Floating Rate Notes	0,31	0,95	2,08	4,67	4,67	3,89	2,55

### Equity Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
S&P/TSX 60	-3,36	3,80	15,39	21,04	21,04	8,34	11,44
Canadian Equities (TSX Composite)	-3,27	3,76	14,71	21,65	21,65	8,58	11,08
Canadian Equities (TSX Dividend)	-3,23	1,97	12,59	19,84	19,84	9,49	11,14
Canada Small Cap (TSX)	-3,30	0,69	9,19	18,83	18,83	4,15	8,93
U.S. Equities (S&P 500)	0,27	9,02	13,97	36,36	36,36	13,76	16,92
U.S. Equities (Nasdaq 100)	3,12	11,51	12,20	36,21	36,21	13,60	21,69
Global Equities (MSCI World)	0,07	6,39	11,82	30,01	30,01	11,58	14,04
Global Equities Growth (MSCI)	3,14	10,55	12,97	37,60	37,60	11,85	17,30
Global Equities Value (MSCI)	-3,10	2,13	10,65	22,44	22,44	10,61	10,03
Global Small Cap (MSCI)	-3,37	3,80	12,22	18,50	18,50	5,52	9,14
International Equities (MSCI EAFE)	0,40	-2,13	3,71	13,81	13,81	6,68	7,44
Emerging Markets (MSCI)	2,62	-1,88	5,47	17,85	17,85	2,88	4,24

### Canadian Sectors (S&P/TSX Composite)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer Discretionary	3,29	-2,92	0,81	8,65	11,89	11,89	5,27	10,09
Consumer staples	3,95	-0,58	3,63	9,85	18,95	18,95	13,67	13,39
Energy	17,14	-3,57	6,59	8,69	23,97	23,97	19,74	13,42
Financials	33,03	-1,63	6,63	24,72	30,10	30,10	10,32	13,25
Health Care	0,30	-4,28	-3,67	12,26	8,19	8,19	-21,07	-21,16
Industrials	12,61	-3,74	-0,43	2,21	9,71	9,71	7,58	11,16
Information Technology	10,13	-4,22	22,19	39,37	37,96	37,96	3,85	19,11
Materials	11,43	-5,33	-4,74	6,85	21,44	21,44	6,82	8,97
Real Estate	1,95	-6,07	-10,49	10,06	5,50	5,50	-3,99	2,12
Communication services	2,36	-9,16	-19,21	-10,72	-21,10	-21,10	-9,39	-2,22
Utilities	3,81	-3,17	-1,55	14,77	13,75	13,75	0,64	5,58

### U.S. Sectors (S&P 500)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	11,26	5,25	21,72	29,61	41,80	41,80	9,91	16,50
Consumer staples	5,53	-2,40	2,88	10,51	24,21	24,21	8,44	9,94
Energy	3,16	-6,94	3,94	0,29	15,19	15,19	25,29	14,48
Financials	13,62	-2,84	13,96	24,40	41,55	41,55	13,58	13,35
Health Care	10,09	-3,59	-4,43	0,13	11,77	11,77	5,30	10,24
Industrials	8,16	-5,42	3,97	14,43	27,39	27,39	13,69	13,79
Information Technology	32,49	3,97	11,64	11,99	48,54	48,54	20,46	26,80
Materials	1,89	-8,22	-6,70	1,10	8,91	8,91	3,94	10,96
Real Estate	2,10	-6,03	-1,92	13,52	14,66	14,66	-0,21	6,73
Communication services	9,37	6,48	15,99	16,48	52,80	52,80	14,32	16,96
Utilities	2,33	-5,36	0,66	18,68	34,49	34,49	9,84	8,84

### Currencies

	Rate	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
USD/CAD*	0,70 \$	-2,65	-6,07	-4,86	-8,32	-8,32	-4,23	-2,05

\*Positive performance signifies an appreciation of the Canadian dollar versus the US dollar

Sources: iA Global Asset Management and Morningstar

**Disclaimer:** This document is for informational purposes only. Opinions expressed in this document or communication are based on past observations or current market conditions that may change without prior warning. The aim is not to make investment recommendations as each investor's situation is personal and different. Past performances do not guarantee future returns and all investments imply risks and uncertainties.

## FUND PERFORMANCE HIGHLIGHTS

### Overall positive results on both equity and fixed-income markets

#### FIXED-INCOME SECURITIES POST POSITIVE RETURNS OVERALL

In 2024, central banks in developed markets initiated the process of normalizing their monetary policy. However, expectations of rate cuts were revised downwards in the final quarter of the year, due to the resilient economic growth and persistent inflation. This scenario favoured short-dated bonds, which are less sensitive to interest rate fluctuations, while long-dated bonds, which are more sensitive to interest rate fluctuations, were adversely impacted. Floating rate securities also profited from these market conditions. In Canada, high-yield bonds also outperformed, buoyed by a narrowing of credit spreads.

- The **Floating Rate Income (Loomis Sayles)**, **Strategic Corporate Bond (iA)** and **Canadian Corporate Bond (iA)** funds outperformed.
- The **Fixed Income Managed Portfolio (iA)**, **Global Multisector Bond (Loomis Sayles)** and **Global Fixed Income (PIMCO)** funds had a more challenging month.

#### OUTPERFORMANCE OF U.S. EQUITIES, WITH INTERNATIONAL AND EMERGING MARKETS LAGGING

During the last quarter of 2024, equities primarily showed favourable returns, with U.S. equities notably surpassing other primary markets. Conversely, international and emerging market equities displayed negative returns during this period. Growth stocks continued to outperform value stocks, for the second consecutive year, both in the last quarter and throughout 2024.

- The **U.S. DAQ Index (iA)** and **U.S. Index (BlackRock)** funds benefited from the outperformance of U.S. markets. Meanwhile, the **Fidelity European Equity**, **Emerging Markets (Jarislowsky Fraser)**, **International Equity Index (BlackRock)** and **Asian Pacific (iA)** funds suffered from the underperformance of international and emerging markets.
- The **Fidelity Global Innovators** fund benefited from its exposure to the growth style, while the **Fidelity Global Concentrated Equity** fund suffered from its defensive style.

#### MIXED SECTOR RESULTS FOR CANADIAN EQUITIES

In Canada, the fourth quarter of 2024 presented very mixed performance across sectors. The information technology sector notably outperformed all other sectors, while the financials and energy sectors also demonstrated strength. Together, these three sectors constitute over 60% of the index, and made a substantial contribution to Canada's overall performance. Conversely, the communication services, real estate, and materials sectors encountered challenges, resulting in negative returns.

- The **North American Equity (iA)** fund benefited from its over-allocation to the information technology sector and its under-allocation to the materials sector.
- The **Sustainable Canadian Equity (iA)** fund added value through its excellent stock selection, despite a less-than-optimal sector allocation.
- The **Real Estate Income (iA)** fund was penalized by its exposure to the real estate sector.
- The **Canadian Equity Small Cap (QV)** fund suffered from its sector allocation, particularly its under-allocation to the information technology sector and its over-allocation to the real estate sector.
- The **Strategic Equity Income (iA)** fund detracted value because of its inadequate sector allocation, despite good stock selection.

#### MOSTLY POSITIVE SECTOR RESULTS ON U.S. MARKETS

U.S. equities registered gains across the majority of sectors in the last quarter of 2024. Notably, the consumer discretionary, communication services, and financials sectors were the main drivers of U.S. market performance. These three sectors collectively represent nearly 35% of the index and distinctly contributed to the overall positive performance of the U.S. markets. However, the materials, health care, and real estate sectors showed lagging performance, underperforming in comparison to other sectors.

- The **Thematic Innovation (iA)** fund benefited from its growth bias and outstanding stock selection in the final quarter of the year.
- The **Fidelity Insights** fund gained from its overweight in the communication services and financials sectors and its underweight in the real estate sector.
- The **U.S. Dividend Growth (iA)** fund had a more difficult month due to its over-allocation to the materials and health care sectors and its under-allocation to the consumer discretionary and communication services sectors.

#### THE LOONIE LOOSES FEATHERS

The Canadian dollar (CAD) depreciated against the U.S. dollar (USD), which benefited Canadian investors who invested in U.S. securities.

iAGAM Fund Management and Oversight Team

## Legal Notices

---

This publication contains information provided by companies not affiliated with iA Financial Group ("Third-Party Content Providers"), including, but not limited to, ratings, stock indexes and company-classification systems ("Third-Party Content"). Third-Party Content is the property of and trademarked by the relevant Third-Party Content Provider and has been licensed for use by iA Financial Group.

The information presented in this publication is provided for informational purposes only. iA Financial Group and Third-Party Content Providers make no representations or warranties as to the information contained herein and do not guarantee its accuracy, timeliness, completeness or usefulness. iA Financial Group and Third-Party Content Providers shall have no liability related to the use or misuse of the information provided herein.

The investment funds offered by iA Financial Group ("Funds") are not sponsored, endorsed, issued, sold or promoted by Third-Party Content Providers. The latter shall bear no liability whatsoever with respect to any such Funds. Third-Party Content Providers make no express or implied warranties with respect to the Funds, nor do they make any representation regarding the advisability of investing in the Funds.

Financial and economic publications of iA Financial Group are not written, reviewed or approved by Third-Party Content Providers.

Any information contained herein may not be copied, used, or distributed without the express consent in writing of iA Financial Group and/or the relevant Third-Party Content Provider.

### FTSE

Where FTSE indexes are used, or referenced: FTSE International Limited ("FTSE") © FTSE [2022]. FTSE® is a trademark of the London Stock Exchange Group companies and is used by FTSE under license. "NAREIT®" is a trademark of the National Association of Real Estate Investments Trusts and "EPRA®" is a trademark of the European Public Real Estate Association and all are used by FTSE under license.

### NASDAQ

Nasdaq®, OMXTM, NASDAQ-100®, and NASDAQ-100 Index®, are registered trademarks of NASDAQ, Inc. and are licensed for use by iA Financial Group.

### GICS Classification

Where the Global Industry Classification Standard ("GICS") is used, or referenced: the GICS was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by iA Financial Group.

### MSCI

---

## INVESTED IN YOU.

iA Financial Group is a business name and trademark of  
of **Industrial Alliance Insurance and Financial Services Inc.**

[ia.ca](http://ia.ca)

1-844-442-4636